The Nation's Business

THE FINANCIAL POST

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Mr. King's Challenge To Canadian Unity

ABILITY of Prime Minister Mackenzie King to create a Federal unemployment insurance scheme has far-reaching implications for Canada. The proposed plan calls for co-operation of the provinces in obtaining an amendment of the B. N. A. Act which would permit Ottawa to establish both a national system of unemployment insurance and a national employment service within Federal jurisdiction.

If it can be achieved it will provide proof of Canada's willingness and ability to act as a unit and submerge for once the rampant sectionalism about which so much has been heard of late. Evidence that Canada can still think and act as a nation when the opportunity arises has been long overdue. As a prominent Imperialist said this week, Canada sadly needs the vision and optimism for united effort that laid the foundations and built the superstructure of this Dominion. Creation of a national employment service and insurance scheme would mark a tremendous advance toward that goal.

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Unemployment Insurance Is Major Tax Bill

AS TO the unemployment insurance itself, it is imperative that the full implications of such a step be understood and appreciated. A plan comparable with that passed by Hon. R. B. Bennett in 1935 would involve a cost of at least $50 millions annually, of which approximately one third would be borne directly by industry, one third by employees and one third by the Government. The direct cost to industry was estimated at that time to be 1.65% of our annual wage bill; the cost to Government about $15 millions annually.

Business and financial institutions in Canada have had ample warning that such a measure was en route. They should be prepared immediately to make representations to ensure that any measure that becomes law is as wise and sound a piece of legislation as can possibly be devised.

For this legislation is primarily a tax bill—perhaps the most important tax measure this country has ever faced. It proposes to levy a tax that will be felt and borne by every citizen, every wage-earner.

There are many who have grave doubts as to Canada's readiness or ability to shoulder such a tax. They feel, rightly, that we should first solve our railway problem before assuming this burden. It is important, therefore, that its implications and effects be faced frankly and intelligently.

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Controlling Mining Promotions

BRITISH COLUMBIA is taking steps to control more thoroughly the promotion and sale of securities, particularly mining stocks. The new weapons with which the B.C. Government seeks to arm itself are detailed on another page.

This is another step in the steady march of governments toward control and regulation of finance, and will be greeted or booed in accordance with the sharply divided schools of thought on this question.

By a coincidence, The Financial Post this week publishes a summary of the advances which have been made in mining prospects over the past few months. The article quotes figures to show that under stricter regulation of public offerings in Ontario, a greater percentage of prospects have become mines than under the former laissez faire policy.

This, of course, should be the ultimate test of an administrative law, and the degree of success or failure which it achieves should be measured by such results. Government regulation of business is only justified if, without regimentation of private enterprise, it results in a greater percentage of the bread which the public casts upon the fiscal waters being returned.

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Sound Ideas of Government

IF GORDON CONANT, K.C., were attorney-general of the United States and had said in that country the same things he told Toronto's Canadian Club last week, the stock market would be heading skyward once more and business jitters would have disappeared.

Actually, Mr. Conant is a "country lawyer" from Oshawa who, within the past month, has become Ontario's new Attorney-General. Even though his words don't yet send stock prices soaring, they should appeal to both employer and employee and to all who seek a sane but progressive formula for government.

In this, his maiden speech, he set forth clearly and simply the philosophy which he believes and intends to practise, namely—more businesslike government and less government in business.

Instead of launching into a lot of new and fanciful ideas of government, he spoke instead a few old-fashioned, simple truths about the relationship of rulers to those they rule. Truths that are as old as time and as true as the pages of history itself. Truths that have seemingly been forgotten in the era of regimentation and control that has been

(Continued on page 2, col. 3)

C.P.R. Profits In Current Year $10 Millions

Steamship Earnings and Smelters' Dividends Up Sharply

1938 PROSPECTS

From Our Own Correspondent

MONTREAL.—Earnings of the Canadian Pacific Railway in the current year are expected to be the highest reported in any year since 1931, net profit being estimated at $10 millions as compared with slightly more than $6 millions last year.

Earnings on the company's 4% non-cumulative preference stock should exceed 7% or 35 cents a share and earnings on the ordinary stock should equal 30 to 40 cents a share. In 1936, the company earned 4.29% on its preference stock and four cents a share on its ordinary stock.

All phases of the company's business will contribute to the $4 millions increase in net profits, but the most important contribution will be made by those phases which are included in the company's income statement under "other income."

Operating Earnings Up

Net operating earnings available for fixed charges will not be as large as was expected at the first of the year, due to the crop failure in western Canada. For the nine months ended Sept. 30, net operating earnings amounted to slightly more than $13 millions, an increase of over $1.2 millions.

During the current quarter this increase in operating earnings may be reduced somewhat. The lower trend was in evidence in August and September when net earnings were respectively $57,872 and $281,171 lower than in the corresponding months of last year. However, expectations are that when final results for 1937 are available there will be some improvement over 1936.

Grain Revenue Down

The current trend toward lower operating earnings is attributable to two factors, lower tonnage of grain and higher costs. The reduction in carloadings of grain will not be as large as expected since volume of grain handled last fall was also small. Furthermore, the reduction in grain carloadings is offset by increases in other commodities. For instance, in October there was an increase of $479,000 in gross earnings. Operating expenses for the month are not yet available, but it is probable this will be offset in part at least by higher costs arising out of increased wages.

Other Income Higher

While the increase in net operating income will be comparatively small, the increase in other income will be substantial. Ocean and coastal steamship business has been materially better than last year, earnings of the ocean steamships showing marked improvement as a result of the Coronation. Summer traffic also recorded an increase, and hotel earnings have been better.

A major factor contributfing to the increase in other income will be dividends received from the Consolidated Mining and Smelting Co. of Canada. For the first six months of the year, Smelters declared a dividend of 50 cents a share plus a bonus of $1 a share and this action is expected to be duplicated for the second six months. Income from this source in the current year will total $3 a share, compared with $2 a share last year. Since the Canadian Pacific owns 1,682,500 shares of Smelters' stock, income from Smelters in 1937 will exceed $5 millions as against slightly more than $3.3 millions last year.

The outlook for 1938 is not quite

(Continued on page 4)

Profit In Figures

Next week The Financial Post will publish the first of a group of ten non-technical articles on how to profit from the figures. The articles are designed to help the reader distinguish between good and bad aspects of financing, and management; what to look for in the balance sheet; how to read a profit and loss statement.

Another important feature now planned is a full-dress review of C.I.O. The story will cover significant changes which have taken place in this organization in recent months. It will be of wide interest to both employers and employees.

N. B. May Sell Big Bond Issue

Province Encounters Difficulties in Arranging Financing

From Our Own Correspondent

MONTREAL.—An issue of $6.5 millions of New Brunswick bonds may be offered by a syndicate of investment dealers within the next few days. Flotation of the loan, however, depends upon successful outcome of negotiations being carried on between the Government of New Brunswick and representatives of the investment dealers.

Public notice of call for tenders for the $6.5 millions issue was not given by the New Brunswick Government and negotiations for sale of the issue are being conducted with a single syndicate of investment dealers. This indicates a change in policy of the Government. Last May it refused to accept a bid for $3 millions issue on the grounds that there had been no competition among the investment dealers for the issue, only one bid being submitted.

Trend Is Not Sound

During the past six months New Brunswick has encountered difficulty in making arrangements for funding of bank loans incurred to pay current deficits and to finance highway construction. Investment dealers, banks and institutional investors regard the current financial trend in New Brunswick as unsound and the fear has been expressed that the province is heading for financial difficulties. As a result the market for New Brunswick bonds has not been good.

It is pointed out that the province has reported seven successive deficits and budgeted for another in the year ended Oct. 31, 1937. Furthermore, funded debt of the province has more than doubled in the past eight years.

Will Not Complete Financing

Late in September, the province sold an issue of $3¼ millions of five-year 3¼% bonds to a group of U. S. insurance and trust companies. Sale of an issue of $6.5 millions at this time will not complete its financing programme since total requirements at present are between $9 and $10 millions.

Negotiations in connection with the $6.5 millions issue do not represent the only recent attempt by New Brunswick to make arrangements for public offering of its bonds. Following sale of the $3½ millions issue in September, negotiations were carried on with a London, Ont., investment house, but the deal was never completed. An attempt was also made to interest Brown, Harriman & Co., New York, but the latter found the New York market to be non-receptive.

Milk Increase Of Little Help To the Dairies

Toronto Controversy Holds Significance for Investors

COMPANY LOSSES

Controversy which has arisen in Toronto over the price of milk has unusual significance for dairy firms operating in the city whose securities are widely distributed among investors.

Dairy farmers who get the greatest benefit from a recent rise of one cent in the retail price of quarts have announced that it was on their request that the Ontario Milk Board, after investigation, authorized the increase. It was explained that the rise in price to $2.32 per cwt. means an increase of 23 to 25 cents of which the farmer gets 22 cents. This serves to remove a misapprehension among milk consumers that the increase was for the benefit of dairy companies.

The controversy however, has directed public attention to the spread between prices received by farmers for milk and the retail price paid by consumers. There remains a wide feeling that dairies are making large profits.

A factor of considerable significance in the situation is that it is receiving emphasis because of the forthcoming municipal election.

Major Companies

The principal dairy firms of interest to investors which are concerned in distribution in the Toronto area and therefore in the discussion of milk prices, are Acme Farmers Dairy, subsidiary of Eastern Dairies Ltd.; Canada Dairies, subsidiary of Dairy Corp. of Canada; and Silverwood Dairies Ltd. There is less investment interest in such firms as Highland Dairies, and the interest of investors in Borden Co. is affected only to a small extent through its two Toronto firms, City Dairy Co. and Caulfield's.

Operating results of dairies in the Toronto area show modest earnings or actual losses. Net profits and losses for the past two years for Acme Farmers, Dairy Corp., and Silverwood were:

†Net Profits and Loss of Dairies
Years Ended Mar. 31

	1937	1936
	$	$
Dairy Corp.	*48,793	6,132
Acme Farmers	*115,847	*31,406
Silverwood	72,780	101,654
Combined	*91,860	76,380

†Available for shares after depreciation.
*Losses.

Varied Operations

The loss of Dairy Corp. is attributable largely to operations in areas other than Toronto. It is understood that the Toronto unit, Canada Dairies, last year showed a net profit of slightly over 3% on the investment of $500,000 in plants.

Silverwood Dairies operates extensively in Ontario centres outside Toronto. Its earnings therefore do not represent solely the results in the one market. It is questionable whether the showing would be better or worse, proportionately, if only Toronto figures were available.

Unfavorable Results

Acme Farmers Dairy has not paid any dividends on its preferred shares since 1933 due to the unfavorable operating results. It operates in Hamilton as well as Toronto. After allowing for depreciation of plant, at a reduced amount from preceding years, the company's latest report does not show coverage for interest charges on its 7% debentures. Interest on the issue, however, has been maintained. The debentures form part of the security for Eastern Dairies bonds.

Earnings of City Dairy and Caulfields are not available.

U.S. Wrestles Aftermath Of Pump Priming Recovery

Car Sales Up At Motor Show

Car sales in connection with the National Motor Show in Toronto this week are reported very much in excess of a year ago. Eighty new cars were sold the day the show opened. General business, watching car sales as a clue to the volume of general buying immediately ahead, is advised by show authorities, however, not to lay too much emphasis on this good start.

However, the fact that sales have been better than a year ago is greeted with confidence by car makers generally.

Liberals Stage Tariff Revolt

Western Group Serves Notice of Attack on Policy

From Our Own Correspondent

OTTAWA.—Rumblings of a pending assault on the Federal Government's tariff policy from its own western supporters at the approaching session of Parliament have become more menacing within recent days. No longer is there any room for doubting that the low tariff Liberals intend to take the war path against the fiscal policies which Hon C. A. Dunning, Finance Minister, has upheld during the past two years.

Within the past week a resolution by a group of Saskatchewan Liberals headed by Gordon Ross, M.P. for Moose Jaw, has been filed with the Clerk of the House of Commons. It will be close to the top of the Order Paper when Parliament assembles, and it calls for a full investigation by a special parliamentary committee into the workings of the Federal Customs Department, especially with a view to determining whether or not the consumers of the country receive the benefit of the system of drawback concessions granted to manufacturers on raw material and on parts.

The nature of the resolution discloses the plan of attack which the low tariff group intend following. They propose to challenge the Finance Minister's contention that tariff reductions given in the form of drawback concessions to the manufacturing interests of the country are effective in lowering the cost of finished products to the ultimate consumers.

Intensity of feeling among the western Liberals against the Government's tariff policy is indicated by the tactics which they are pursuing. The resolution is being filed, it is worthy of note, in advance of the meeting of the House. Two ends are served by such a course. In the first place, it assures the resolution a place near the head of the House Order Paper, making certain that adequate opportunity will be given for its full discussion. In the second place—a point vastly more important—it presents the resolution as a fact to be reckoned with during the session.

Brown Co. Urges Immediate Action

President Claims Reason for Delay Has Been Eliminated

From Our Own Correspondent

MONTREAL.—H. J. Brown, president of Brown Co., in a letter to security holders of the company, urges avoidance of further delay in approving the company's plan for reorganization. Delay, he points out, will jeopardize the company's efforts to eliminate trusteeship which, in his opinion, will prove costly to all security holders.

The letter states that the filing in the federal court in Portland, Me., of the report of the engineering firm of Coverdale and Colpitts on the properties and earning power of the company eliminates the principal reason advanced by the bondholders' committee for delay.

Sustained earning power of Brown Co. as estimated by Coverdale and Colpitts is $3.5 millions a year after depreciation and depletion, but before fixed charges and income taxes according, to Mr. Brown. He states that the company's indicated earning power would, on the average, be sufficient to cover preferred dividend requirements three times.

Earnings of Brown Co. continue to record expansion, net earnings available for bond interest, after all prior charges including depreciation, depletion and taxes, amounting to $2,002,000 in the 44-week period ended Oct 2. This compares with a deficit of $338,623 for the same period of last year.

Fixed charges for the period of $1,099,000 were earned almost two times. For the balance of the fiscal year which ends Nov. 30, it is estimated that net earnings should be increased by approximately $1 million so that net earnings for the full 12 months should approximate $3 millions. Thus, fixed charges of $1,178,000 should be earned 2.5 times after depreciation, depletion and taxes.

Business Leaders Seek to Prevent Minor Recession Turning Into Major Retreat Washington Uncertainty Clouds Picture

By FLOYD S. CHALMERS

WHITE SULPHUR SPRINGS.—How to prevent a "minor business recession" from turning into a major industrial and financial retreat: that is the problem agitating financial and business minds from coast to coast in United States and administrative minds in Washington. It was the major subject discussed by some 500 investment bankers at the annual convention here of the Investment Bankers Association of America.

The bankers themselves were in virtual agreement as to the basic reason for the decline in trade and in security prices. That reason is the failure of the "pump priming" theory of government expenditure to work out in practice.

Synthetic Recovery

The United States Government, by pouring unlimited billions of government money into the economic structure, has produced several years of synthetic recovery. But if the recovery is to endure there comes a time when the burden of creating public buying power has to be shifted to the shoulders of private capital, because there is a limit to government spending if an inflationary debacle is not to be produced. That time has long since passed in this country. Somewhat belatedly the Government has recognized the fact and is seeking to balance its budget. This means the elimination of the buying power created by new public borrowing on deficit account. The effect of the curtailment is to threaten a 10% reduction in the national income, for a $2.5 billions reduction in government borrowing translates itself into a reduction in national income of from two to three times that when allowance is made for the secondary turning over of the new money created by unbalanced budgets.

In brief, there is that much less water being poured into the pump for priming purposes.

Theoretically, the government spending should have so stimulated recovery that investment in new plant and equipment (and all forms of capital goods) by private capital should be able to take up the slack, carry on where the Government left off and keep business moving ahead to new and higher levels of recovery. But something has gone wrong with the theory. Government spending is tapering off and the private capital market remains stagnant. Issues of new securities have dropped to practically nothing. No new enterprises of consequence are being undertaken. Commodity prices have dropped alarmingly.

Economists Puzzled

The stock market, sensing the situation before it became apparent to the rank and file of business people, went into a tailspin in early September. Now only the professional publicity seekers among the economists of the country profess to be able to say whether or not the business recession is going to be a minor one or a very bad one. The more sober ones do not know because they do not know what steps Washington may be willing to take to remove the obstacles to the investment of new private capital for the purpose of filling the country's undoubtedly substantial needs for new homes, new factories, new machinery, new power lines and new railway equipment.

All of this is a very familiar outline of the situation to readers of The Financial Post for it has been discussed at some length in recent issues of this newspaper. It was the major subject to which the investment bankers of the United States turned their attention at their meeting here last week.

There have been shrewd observers who have seen the situation developing for some time. Over a year ago President Roosevelt invited one of the country's most famous bankers to Washington to discuss the developing business situation. This banker was brutally frank with the president. This is what he told Mr. Roosevelt, according to the account given to me by the banker's intimate friends:

"Mr. President, my firm is an old one and it has been through many a depression. What three generations of us have learned is this: that after every major depression two conditions develop. They are cheap money and returning confidence. We have the cheap money and you have destroyed the confidence."

Confidence is indeed absent now. Also missing are other traditional incentives to new investment.

Two Choices For U. S.

Thus the United States stands once more at the parting of the

(Continued on page 2, col. 5)

B.C. Debt Up By $5 Millions

Relief Costs Decline But Ordinary Expenses Increase

Gross funded debt of the Province of British Columbia increased by approximately $5 millions to $183 millions in the year ended March 31, 1937, when revenues of the province were at the highest level in its history.

On ordinary account, the province reports a surplus of $2.6 millions. However, on an overall basis, that is after ordinary, relief and capital expenditures, there was a deficit of $5.3 millions, compared with $6.4 millions in the previous year.

Sinking fund payments of about $2.5 millions were deferred. If these had been provided for then the deficit would have totalled $7.8 millions. In the 1935-36 fiscal year sinking fund payments deferred amounted to $2.3 millions. As at March 31, 1937, sinking funds arrears totalled $10.8 millions.

Revenues for year were $2.2 millions higher than in 1935-36 and $3.7

(Continued on page 2, col, 3)

Government Plans Insuring Jobless

Will Initiate Social Legislation Programme, Says King

From Our Own Correspondent

OTTAWA.—Provided the provinces are unanimously agreeable, the Federal Government will sponsor at the approaching session of Parliament a national scheme of unemployment insurance and a national employment service within Federal jurisdiction.

Premier King's remarks to newspapermen when he outlined the Government's proposed course, indicated that the Government has become "social legislation conscious." He said:

"Many people seem to believe that, because it appointed the Rowell Commission on constitutional questions, the Government is deferring or evading social legislation. That is not so. The Government is most anxious to get on with social legislation without delay and it simply selects unemployment insurance with which to start because it believes it to be the most important measure in that field."

The Prime Minister said the nature of the insurance scheme which the Government would set up, if the provinces should consent to having the Dominion act, would be made public by the introduction of the bill in Parliament.

A letter has been sent to provincial premiers asking their views on such a plan and their willingness to amend the B.N.A. act so as to make such a plan workable.

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Many millions are owing to shareholders and the amount is growing. Page 14

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Landlords of apartments and duplexes face many problems. Page 16

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May Share U. K. Market With States

But Canada Would Get Further Trade Concessions from U. S.

ANGLO-U.S. PACT NEAR

By Staff Writer

OTTAWA. — Three-way negotiations between Canada, United States and Great Britain in respect to the proposed Anglo-U.S. trade pact are believed to be reaching a final stage at Ottawa. Official announcement of some agreement is expected shortly, but this, of course, will probably come from London and Washington. Due to the very great difficulties encountered results may appear meagre.

George Sterling, representative of the British Board of Trade—equivalent to the Ministry of Commerce in the United Kingdom Government—has spent the past fortnight here endeavoring, through the office of the British High Commissioner, to iron out some of the difficulties which existing preferences held by Canada in Britain place in the way of negotiations. Mr. Sterling is reported to have successfully completed his Canadian mission within the past few days and to have left for Washington. There he will negotiate with the United States Government what is looked upon as the final phases of the proposed treaty, prior to its submission to Parliament and to Congress.

Like to Unload Surpluses

It is generally conceded that United States is most desirous of shipping more agricultural products to Great Britain. Surpluses of cotton, grain, pork products, fruit and similar lines are expected for many years to come. With the return of rains to former dry areas, production greatly in excess of normal consumption appears certain. Already the largest cotton and corn crops in 10 years have been harvested and prices have slumped.

United States would like to unload surpluses in the United Kingdom but in doing so it would come into direct competition with Canada. The marketing situation for lumber has been unsatisfactory since under the Ottawa agreements Canada has captured a large share of the U. K. market which formerly went to Washington and Oregon.

Offer Wider U. S. Outlet

Canada is expected to withdraw opposition to sharing with United States a portion of the present thriving and protected export trade to the United Kingdom. In return this country would receive further trade concessions, probably in beef cattle, dairy products and fish, with United States. This would mean some revision of the new Empire trade agreements and possibly some negotiating with other Dominions, though Canada is the only country vitally affected outside the two principals.

There is a disposition in certain government circles at Ottawa and particularly among the low tariff wing of the Liberal party to regard the Empire agreements as hampering rather than fostering trade. It is argued that the recent rapid growth in all trade, Empire and foreign alike, offers abundant evidence that revival was coming in any case and that the original agreements signed at Ottawa merely tied our hands in freely negotiating favorable trade pacts as opportunities arose. In any case influential Liberals of this opinion have no hesitation in opening up certain lines of our U.K. export to United States producers provided we can get a greater outlet for cattle and milk products in United States. The latter market they argue would be much more profitable for such products than that offered by Great Britain.

Export of Cattle

They hope to secure an outlet for at least 100,000 head over the present beef cattle quota of approximately 150,000 at a reduced duty. They point out that to keep our cattle industry in healthy shape we require a minimum export outlet of 200,000 head a year. By raising the present quota to 250,000 this would provide that minimum as well as taking care of growing cattle exports from Mexico, which country is also included in the arrangement. Incidentally, the size of Mexican shipments rather surprised Canadian producers this year.

Just as the West would benefit from an enlarged cattle quota so would central Canadian farmers from a wider market for cream, butter, milk and cheese. Before the last increase in the United States tariff in 1930 Quebec and Ontario dairymen in the St. Lawrence Valley and cheese and butter exporters at Montreal shipped huge quantities across the border. That trade almost completely dried up after 1930 and was only partially renewed by the trade agreement which went into force nearly two years ago.

Apples and Lumber

But government members from those constituencies where apple and lumber exports originate were not so keen on the proposals mentioned. Their farmer supporters in Nova Scotia and British Columbia were not interested in export of beef cattle or dairy products but they have been doing very well out of the British market. There have been plenty of resolutions passed protesting any revision in present lumber and apple concessions. In fact some ministers of the King Cabinet, it is understood, have also publicly subscribed to such views. This difference of opinion has made negotiations difficult, delicate and secretive.

U. S. Powers Limited

Recently, however, it is believed that United States is prepared to offer some concession in fish to Canada in exchange for a share of the British lumber market. Such a

(Continued on page 2, col. 6)

Programme to Stop Slump

Major Angas Calls on Washington to Come Out "on a Pro-profit Platform"

By STAFF WRITER

NEW YORK. — Major L. L. B. Angas, who was so optimistic about the stock market position that he did not sell out his clients before, during or after the September-October crash, has now turned blue. But he is not yet getting the clients of his investment advisory service to sell out because he figures, first, that there is yet a chance of "remaking" the boom; and because he feels that the stock market has already discounted most of the grief that might happen.

Blames New Dealers

The Major admits that he guessed badly on the present stock market. The present sloppy market is a case of Angas-tura Bitters to him. He admits frankly that the market decline went much farther than he anticipated and the reason it did was because the New Dealers at Washington were "worse damn fools" than he thought they were. He did not think they would let the decline get out of hand. There was never any need for it, he avers; and in fact he is confident that the whole stock market trend could be reversed to an upward direction and the threatened major industrial panic be averted by common sense use of tools with which the monetary managers of the United States — the President and his Federal Reserve Board—are equipped.

So much Major Angas revealed when The Financial Post called on him and asked if he still believed—as he believed and advertised in paid space in the newspapers in September—that the business slump that everyone was then hesitantly talking about could and would be averted.

The Major has written a new pamphlet to give his views on the stock market and the business position. It is his seventeenth book since the war and its title is "Remaking the Boom." When The Financial Post called on him it was before we had had a chance to read the pamphlet. So The Post asked the Major to tell the gist of his pamphlet in two or three sentences.

One Sentence Answer

"I can do better than that. I can give it to you in one sentence," he said. This was his sentence:

"The United States is heading into a very severe industrial panic unless the President does one or both of two things:

"1. Gives the economy a monetary shot-in-the-arm; and

"2. Comes out on a pro-profit platform."

Major Angas speaks that way and writes that way, in crisp, picturesque and telling phrases.

Other business commentators and economists have said very much the same thing but they have said it in statuesque, forbidding words.

The Financial Post asked the Major if he thought there was much chance of Washington doing either of the things he thought were necessary. He replied:

"Early in September I was sure of it. The monetary programme, needed to stop the depression, was so simple and so obvious I could not believe it possible that it would not be adopted. I was not so sure of the

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MAJOR L. L. B. ANGAS

MEN'S SHOP

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BAY STREET SECTION

EATON'S-COLLEGE STREET

London, Ont.—Further reduction in the 1938 tax rate is regarded as likely by Mayor Kingsmill. New assessments for construction during the year will more than offset the reduction of some $176,000 in assessment of damaged property in the West London flood area. Provision has been made for retiring a large amount of debenture debt over four or five years, running as high as $700,000 in one year. Construction of the Wellington St. bridge, and a grant of $200,000 for a hospital building programme, is approved, will not increase the tax rate.

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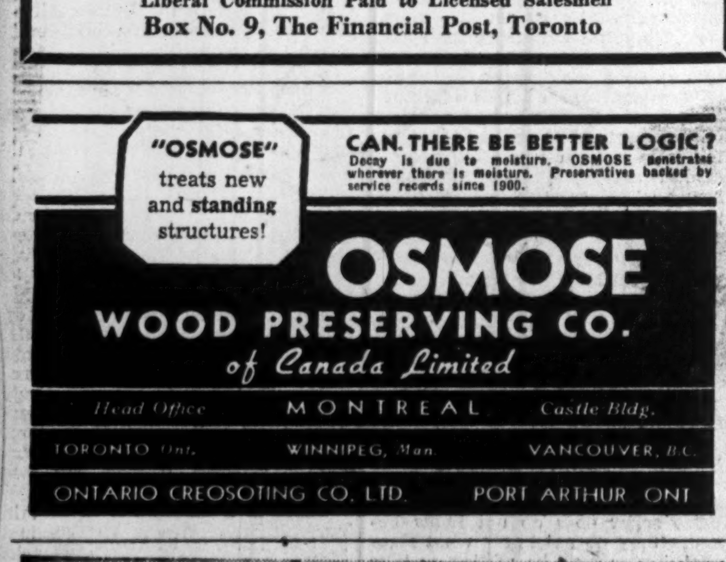

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The Nation's Business

(Continued from page 1)

rampant in the U. S. and that is largely responsible for the current lack of confidence in business prospects.

Mr. Conant is a convincing speaker whose words carry conviction. Added to this is a recommendation which should carry him far, namely that his reputation for integrity is so outstanding that this very qualification would, it was feared, keep him out of his Cabinet post. His remarks are briefed elsewhere in this issue and are worthy of attention by all Canadians who esteem sound and sane government.

* * *

Cecil Urges Japanese Boycott

THE Japanese boycott bogey flared again the other day at a peace meeting sponsored by the Toronto Peace Federation and a committee of the World Alliance for International Friendship through the Churches. The speaker was Viscount Cecil of Chelwood and around him on the platform were some of Ontario's most distinguished citizens. The Lieutenant - Governor, Dr. Bruce, was chairman.

Lord Cecil is a well-known propagandist whose work in the interests of world peace has gained him wide notoriety. He urges that Geneva is still the logical place to settle all international disputes; that Spanish controversy should be transferred to Geneva and out of the hands of the non-intervention committee, and that profits should be divorced from war. He called on Canadians to boycott Japan as the logical way to stop that country slaughtering Chinese.

As pointed out previously in these columns, there are tens of thousands of people in this and other countries who have already registered their personal protest against the Sino-Japanese conflict by avoiding Japanese goods. But concerted action such as Lord Cecil urges is a thousand miles removed from the practical possibilities of world affairs at the present time. There is no general support for the imposition of official economic sanctions against Japan or any other country. In fact, such action might easily invoke a world conflict such as Great Britain and other world powers are striving so eagerly to avoid.

* * *

Sir Evelyn Wrench Pleads for Unity

LAST week it was two eminent Canadians whose pleas for Canadian unity were discussed in this column. This week it is Sir Evelyn Wrench, founder of the English-Speaking Union and the Overseas League, who has taken up the cudgels in the same cause.

Back in Canada for the sixth time in 30 years, this eminent Empire statesman is warning Canadian audiences that lack of unity and a spirit of sectionalism and defeatism are changing Canadians from a nation of united optimists to a nation of divided pessimists.

"I remember the confident people who used to talk of the things Canada was going to do. Now on all sides I hear people saying they are not sure but that Confederation was a mistake. They talk of what 'we' in one part of Canada are going to do and not what the nation will do.

"I remember a country confident of its destiny. Now I see a country lacking confidence in itself. Canada has a great part to play in history, what she needs is more Canada building, more unity, more pulling together."

* * *

SIR EVELYN says if he lived in Canada he would start a Canadian Unity League. It is our guess he would sponsor also a move to liberate Canadian national periodicals from the present handicaps under which they labor. This is not a move for tariff protection (Canadian national periodicals do not want that) but merely the opportunity to buy their raw materials on free competitive basis with foreign publications with which they must compete on Canadian news stands.

Through our own native periodical literature, Canadians have at hand the most powerful single weapon toward unification of national ideas and thought. Yet these publications are handicapped as is no other group or business. As an industry, it is the only one in Canada which has no protection but pays, through duties and taxes, higher prices than foreign competitors on practically all raw materials.

This is a matter affecting the welfare and prosperity of business generally—indeed of all citizens. An outsider looking at us as Sir Evelyn Wrench has done (he has spent six months here during this trip) sees at once the necessity for unified effort. Ottawa should take the cue and, as a first step toward this goal, remove entirely the handicaps which still surround Canadian publications in competition with foreign periodicals.

Purvis Sees No Value In Public Works Project

From Our Own Correspondent

MONTREAL. — The Province of Quebec's and City of Montreal's proposal that a programme of public works be undertaken in this province in order to end direct relief, is not likely to get the approval of the National Employment Commission.

In a letter to Ald. Bray discussing the alderman's suggestion that the Dominion, provincial and municipal governments should undertake a joint public works programme costing $150 millions, Arthur B. Purvis, chairman of the National Employment Commission, deprecates the value of such a programme at this time.

Shortage of Skilled Labor

"At this time," the letter says, "we are faced with a shortage of skilled and semi-skilled labor and a relatively full supply of unskilled labor in many centres. To the extent therefore that a public works programme draws upon the supply of skilled labor it tends, at this stage of recovery, to defeat its purpose; this because in reducing the already short supply of skilled labor the ability of the private employer to continue taking up the surplus of unskilled labor is reduced.

"Actually therefore, the commission believes that the most urgent problem at this stage is to achieve a degree of employability for those still receiving unemployment aid, and so enable them and encourage them to take advantage of jobs in private industry as they become available.

Must Train Youth

"The commission believes further that the solution of the dole situation lies in co-operation between government bodies and industry in an immediate and nation-wide effort at innumerable local centres to develop plans for the specific purpose of:

"(a) training the youth age group which is lacking in gainful work experience, and

"(b) restoring the skill and physique lost in the long depression period by the middle-aged groups."

British Columbia Debt Jumps by $5 Millions

(Continued from page 1)

millions above budget estimates. The increase, however, was offset by higher expenditures, expenses of most departments showing an increase. Ordinary expenditures totalled $25.4 millions, an increase of $2.2 millions over the previous year and $1.2 million over estimates.

The province's share of relief costs declined $2.5 millions to $5.7 millions while capital expenditures increased by $1.5 million. Total Dominion and provincial expenditures on relief amounted to $9.4 millions, a reduction of slightly more than $1 million. Thus, the Dominion paid a larger proportion than in the previous year.

Funded Debt
As at March 31

	1937 $	1936 $
Gross‡	183,022,247	178,001,547
Less: Sinking fund	32,620,668	31,058,958
Net funded debt	150,401,579	146,942,589

‡Includes $37,395,986 of treasury bills in 1937 and $33,513,586 in 1936. Also includes $20,160,000 of Pacific and Great Eastern Railway bonds guaranteed by the province.

Income and Expenditures

Revenue

Departments:	1936-37 $	1935-36 $
Agriculture	10,913	16,402
Attorney-General	7,081,626	6,134,249
Education	3,544	4,944
Finance	16,661,493	15,639,244
Fisheries	119,501	117,574
Labor	709	593
Lands	3,534,193	3,295,300
Legislation	1,245	915
Mines	226,991	240,215
Municipal	676	600
Provincial Secretary	56,312	54,302
Public works	108,624	54,888
Railways	75,200	63,144
Misc. & capital	221,585	239,736
Total revenue	28,102,612	25,862,077

Expenditure

Departments:	1936-37 $	1935-36 $
Public debt	8,556,441	8,697,800
Legislation	108,044	98,233
Premier's office	24,347	16,590
Agriculture	339,411	295,723
Attorney-General	1,642,475	1,633,559
Education	3,871,429	3,534,928
Finance	1,863,330	1,787,554
Industries	5,521	5,345
Fisheries	21,746	16,456
Labor	678,171	615,114
Lands	1,135,454	1,077,734
Mines	192,969	179,890
Municipal affairs	14,542	9,060
Provincial Secretary	3,923,447	3,237,654
Public works	2,939,633	1,971,780
Railways	67,213	65,013
Recoverable exps.	415	469
Total ordinary exps.	25,413,590	23,242,902
Unemployment relief	5,765,284	8,287,867
Capital expenditure	2,302,167	764,449
Total expenditure	33,481,041	32,275,218

Strikes in Canada Show Increase During October

Labor disputes involving coal miners at Minto, N.B., and rubber workers at Kitchener, Ont., were chief factors resulting in an increase in the extent of strikes in Canada during October, compared with September.

Of the 30 disputes reported last month, 24 had been settled before the end of the month, 20 of them on a compromise basis or in favor of the workers. The six disputes still unsettled affected 2,000 workers.

Canadian Strike Record

	1937 Oct.	1937 Sept.	Oct. 1936
No. of strikes	30	34	19
No. workers involved	7,521	7,007	2,158
Time lost†	55,692	44,378	11,644

†Man-working days.

Canadians Agree to Buy S.A. Utilities Corp. Notes

Canadian interests have entered into a contract to purchase $4.5 millions principal amount of 4-year secured notes of South American Utilities Corp., according to an announcement by R. S. Lampard, of Lampard, Marston & Co., Ltd., Toronto investment firm.

It is believed a reorganization plan may be submitted to shareholders, subject to completion of the purchase. It is understood Chase National Bank and National City Bank, both of New York, are vendors of the notes.

U.S. Is Wrestling With the Aftermath Of Its Pump Priming

(Continued from page 1)

ways as it did after the 1929-1932 business decline. It has two choices before it. It can attempt again to revive business by deliberately unbalancing the budget, that is by once more summoning up the spending power of the Government to restore the depleted purchasing power of the country. Or it can seek to restore confidence in new investment so that the pump priming theory can be made to work through to its final and most important stage of having private money take up the slack and keep the recovery going.

It is questionable if the first alternative is feasible at all. The keen analytical mind of Dr. John H. Williams, Welsh-born dean of Harvard's school of public administration, made that clear in a penetrating survey presented to the bankers here. There are, he said, by way of preliminary, these reasons for believing that the present recession will not develop into 1929-1932 proportions:

1. There is now a remarkable need for new "durable goods," housing, public utility and railway equipment and general plant equipment, a much greater need than in 1929.

2. There is now no great volume of speculative credit needing to be liquidated.

3. The position of the country's banks is much stronger than it was prior to 1933.

Recovery Reform Confusion

On the other hand some of the possible conditions that helped to reverse the downward spiral of 1929-1932 are less significant today. Easy money can not now be introduced as a new and vitalizing force because money cannot be made easier than it is right now. A programme of Government spending of large proportions cannot now be introduced as a new and favorable factor because the recovery progress to date has been financed in that manner. And another factor in the present situation is the continuing confusion between the "recovery" and the "reform" programmes of the administration.

There was no doubt left by Dr. Williams as to where he stood on the question of choosing between, first, renewed government spending and, second, encouragement of private investment as the way out of the present impasse. His view, which it can be said is subscribed to by 100% of the financial and business leaders of the country as represented at the investment bankers' meeting, is that the latter course offers the only policy capable of sustained success.

The time has come, in the opinion of private business leaders, for the United States to effect the too long delayed transition from public deficits to private investment. The transition could have been smoother had it been started sooner. The price of transition may now have to be a continuation for a while of the present business recession but it is held that it is better to pay the price in order to achieve a major recovery upon a normal self-sustaining basis.

Clearing of Obstacles Needed

In outlining the steps that must be taken to promote a "private" business recovery, emphasis is put upon negative measures more than positive measures for it is widely believed that what is required primarily is a clearing away of obstacles.

One of the major obstacles is taxation of a particularly onerous character. The undistributed profits tax, for example, has interrupted the normal flow of a substantial proportion of the earnings of corporations into new plant and equipment. The capital gains tax has put too high a premium upon successful investment and stifled the venturesome spirit in those whose capital ought to be financing the country out of the red. High income surtaxes have made state and municipal bonds too attractive as an escape mechanism and have thus diverted capital into non-productive governmental channels rather than into job-creating industrial and other investments.

Thus a saner type of federal taxation is a primary requisite for renewed recovery movement.

Although the shafts of the investment bankers were particularly directed against two types of taxation that Canada has as yet refrained from adopting, their views are of considerable interest to Canadians, first, because of the discussion of the manner in which onerous taxation holds back business recovery and, second, because the more objectionable United States taxes have frequently been suggested in Canada

Chief tax spokesman for the bankers was Ellsworth C. Alvord, formerly special assistant to the Treasury at Washington. He pointed out that there were three sources from which funds could be derived for meeting government expenses and that all of them had from time to time been used. The three sources, as he named them, had a familiar ring to Canadian ears. They were 1. Taxation, 2. Confiscation and 3. Repudiation.

Mr. Alvord indicated that the present tax upon the "profits" made in the appreciation of any capital asset has worked out most unfairly in practice and was making the potential tax burden rather than the possible results, the determining factor in all business transactions, and it had been a major factor in producing the recent decline in security values.

He said of the undistributed profits tax that it was the product of a theory evolved by a couple of New Deal reformers who argued that the Government, by means of taxation, could banish the trade cycle. In practice it produced but little revenue, yet had reduced the volume of business and employment materially. Corporations were finding it exceedingly difficult to pursue any constructive business policy.

High surtax rates on incomes and inheritances came in for considerable criticism and it was argued by a number of speakers that the results were to take capital out of productive use and thus to lower both the volume of employment and the actual revenues of the government. Several speakers asserted that top rates for income taxation of around 30% would produce much larger governmental revenues than the present much higher surtaxes.

That there is some prospect of a more reasonable approach to the taxation problem is information that I have been able to obtain from very high Washington authorities. The administration is frankly worried. The jitters have been moved from Wall Street to the White House. The 1929-1932 depression was pinned on the financial community. This one is being pinned on the White House and the White House knows it. The New Dealers do not like their present uncomfortable position and at least a few of the leaders would willingly give up some of their more egregious reform follies to stop the decline.

Market Control

A second factor necessary to renewed recovery is the removal of some of the obstacles to new financing that exist in the cumbersome machinery of stock exchange regulation and control of the capital issues market. In this respect it was encouraging to hear an official of the Securities and Exchange Commission invite the co-operation of the investment bankers in working out the problems of putting the nation's capital to productive use again.

That there is a vast field for the investment of new capital is obvious. Allowing for the depreciation and obsolescence of plant and equipment of all kinds—including houses—during the years of depression, allowing for the increase of population and the development of new techniques and even new needs, there is opportunity for the investment of many billions of dollars in enterprises whose execution and development would create jobs by the million and purchasing power by the billions.

Emphasis on Domestic Recovery

Curiously, very little emphasis was put by the investment bankers upon extension of international trade as a possible lever in lifting American business out of its present slump. The general attitude of the bankers seems to be that ultimately the time will come, just as it has already come in Great Britain and some other countries, when recovery will have gone as far as it can go on a purely domestic basis; when any further extension of business volume will be dependent upon an enlargement of foreign trade. But the feeling is that, so far as the United States is concerned, that point has not yet been reached; that the limits of domestic recovery have not been reached and the pertinent objective is to effect the transition between a deficit-financed recovery and a private capital recovery. When that has been achieved, the question of the limits of the purely domestic recovery that is possible will become a very pertinent one.

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May Share Markets Of United Kingdom With the United States

(Continued from page 1)

step would go far to placate the Maritimes, even though apple growing and fishing are not carried on by the same people. Until present tariffs United States was the big market for fresh fish from Nova Scotia, New Brunswick and Prince Edward Island.

But another and major stumbling block and one not publicized in newspaper stories emanating from Washington is the limited negotiating power of the United States President. He is only empowered to cut American duties 50% from 1930 levels. As the latter were often ridiculously high a drop of 50% might be of no importance. The wheat duty, for instance, is 42 cents per bushel. Half of that or even a quarter would prove just as prohibitive in checking trade in normal years. True we shipped some Canadian wheat over this tariff in 1935 and again last year but that was because there was not only a shortage in total domestic volume across the line but also a famine in some of the hard wheat grades. Since imposition of the present duty there has been none of that former considerable shipment of Canadian grain to near-by points in United States simply because the Canadian source was the closest. And the wheat duty is typical of scores of others where a 50% cut would offer little inducement to trade.

In lumber the situation does not present the same difficulties as in apples. Canada, it is true has usurped the former leading position of United States in the United Kingdom in many lines, but at the same time this country has lost special lumber markets in United States. A greatly reduced shingle quota, for instance, is substituted for a former almost unlimited export.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Barrie, Ont.	Nov.	J. L. Graham & Co.	3½%	5-yr.	$50,000	101	3.15%
Woodstock, Ont.	Nov.	Dominion Securities Corp.	3¼%	4-ins.	19,318	102	....
Quebec City	Nov.	L. G. Beaubien & Co. and Syndicate	3½%	1938-45	1,099,800		....
			4%	1949	1,588,400	*100	4%
Brantford, Ont.	Nov.	R. A. Daly & Co.	3½%	10-ser	100,000	100.60	3.37%
Owen Sound, Ont.	Nov.	Dominion Securities Corp.	3½%	15-ins.	90,000	102.07	3.25%
Provincial—	**Date Sold**	**Sold to**	**Rate**	**Due**	**Amount**	**Price**	**Yield**
Quebec	Nov.	Bank of Montreal	1¾%	.....	$10,000,000	.....	....

*Offering price.

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AUTOMOTIVE BUILDING TORONTO

London Calling

SIR CHARLES TEGART

by Atticus

LORD DUFFERIN

Columnist Views the Conservative Party en Masse and Applauds His Fellow Back Benchers at Opening of British Parliament

LONDON

London is a city of infinite moods and recently it has not been at its best. While falling stock markets produce animated dinner conversation there is a limit to the eagerness with which one can listen to the ill behavior of United States Steel. And why should we have to go abroad to find these stories of financial loss? Have we no Stock Exchange of our own?

This obsession with share mongering is intellectually unworthy of London. I agree that a rising market is great fun and that a falling market is what the Victorian novelists used to describe as "something worse than death." But London should soar above such things. Here the sweep of the centuries makes our troubles paltry things. The forces of destiny are pounding at the gates while we huddle about the tickers in our clubs and mumble into our beards.

Therefore I was glad to find myself as part of that human glacier which moved imperceptibly but inevitably up the stairway of Londonderry House where the Prime Minister was waiting with outstretched hand like a lifesaver dragging drowning men from the surf.

* * *

The Party

Atticus should have no politics and therefore it is merely as an observer and not as a politician that he remarks that there is something impressive about the Conservative party en masse. There is an indestructible atmosphere, a solidity which gives the comfort of permanency to the troubled mind. There is also a magnificence which survives in an age when sombreness is counted a virtue. I liked the tiaras and the medals and the sashes and the uniforms. Carlyle once remarked with his accustomed sententiousness that the Present is the living sum-total of the Past. Monday night was a reminder of the days when great houses and politics went together. Disraeli in his finery would not have seemed out cf place at Londonderry House although it is only fair to add that Lord Bessborough in his uniform would have seemed equally appropriate in any Victorian setting. I liked, too, the pungency of Lord Bessborough's remark to me as he came out: "Tell me, Atticus, why do the newspapers only regard bad news as good news?" There is a thought behind that.

* * *

Our Hosts

I must confess that the Prime Minister performed his functions with such good humor and patience that one would never suspect that gout would keep him from the opening of Parliament next day. Nor does one associate that luxurious complaint with his spare frame. That does not make it the less painful nor render our sympathy less acute.

It would be ungracious not to acknowledge the dignity and effectiveness of our host and hostess at the reception but once more Mrs. Chamberlain—to use the miserable metaphor of the films—"stole the picture." There is a freshness about Mrs. Chamberlain that defies analysis. Her face has an ingenuousness that cannot be wholly true. What is more she is personal and actually seems interested in each new person. In this she is quite unlike a certain august personage who always looks at the waistcoats of those who are presented to him. Of course Mrs. Chamberlain has an uncanny memory, but then I have often thought that a good memory is a form of unselfishness just as a bad memory is a symptom of indifference.

At any rate the whole affair was first rate and as we went out in search of our chauffeurs we voted that this eve-of-the-opening business must not be allowed to die out. A good drama deserves a good prologue.

* * *

Westminster Pageantry

Nowhere in the world is there a spectacle to equal the opening of Parliament at Westminster. Its vividness never dims. No one has yet explained why a race like the English which abhors ostentation should be the supreme masters of pageantry. For many reasons this spectacle seemed more impressive than ever as those of us who came from the Commons pressed against the Bar of the House like beggars in rags outside the rich man's garden.

There was an astonishing number of beautiful women there. It is in such a setting that the fair haired loveliness of the Saxon woman comes into its own. No brunette, even if crowned with the most devastating tiara, can quite hold her own in that picture. But in these days when synthetic and preposterous womanhood struts and minces on the films what a joy it was to see the real beauty of England gathered together on that historic October morning.

Many of those present must have recalled the swift events that have colored and darkened the openings of the two previous sessions of this Parliament. In 1935 King George V was prevented from appearing at the last moment by the death of his sister. The pomp and circumstance was abolished and the speech was read by the Lord Chancellor. Nor was Parliament to see the King again until the Peers and Commons went to Westminster Hall to receive his dead body. The next year our bachelor King came to the House and in a clear voice read the Government's programme. There was a self-reliance about him which had a subtle suggestion of defiance. The shadows were closing about his brief reign and he knew that the final struggle was not far off. When I wrote about it in this column I placed under his picture the famous words from Eunuchus: "Mark this, that there is change in all things." Then followed a passage which now reads with a curious sense of prophecy: "His position is austere and demands the price of austerity from him and ourselves. The Crown was carried by the Marquess of Londonderry and the King will not wear it until his Coronation. Nevertheless he knows its weight."

* * *

The King's Success

So the pages of history turn to the third opening of this historic Parliament. We were to witness the reading of the Gracious Speech from the young man who had mounted the throne with unwilling steps but in compliance with the prayers of the people. The lowering of the lights which precedes the entrance of their Majesties would be impressive even if it were for the Minister of Agriculture. This time it had the quality of high drama for the King was going to face the most powerful people of his kingdom and read a speech which was both lengthy and formal. It would be an ordeal for any man—what must it have been for the King who as a younger man spoke with the greatest of difficulty on the few occasions that the demand was made upon him.

No one present will quibble at the use of the word "triumph" in describing His Majesty's reading of the Speech. It is true that he spoke slowly but there was no hesitation or stammer. Instead the words took on a dignity and actual beauty from the tempo that he wisely imposed upon himself. What is more it was a man's voice, deep like that of his father but more musical. Without effort each word was clearly heard in every part of the Chamber—and that in a place where the acoustics are definitely bad. It was interesting to see how his confidence grew as the reading progressed. At first he kept his eyes on the paper, but toward the end looked up after a section would end as if to abjure us to give our thoughts to the seriousness of the work before us. One does not need to be clairvoyant to understand what was passing through the Queen's mind. With folded hands she looked calmly straight ahead and her expression would not have changed if he had faltered or even failed in his task. But when the King had finished she could not keep from her eyes the pride of a woman in her husband. A few minutes later I saw them enter their story book coach and smile to the cheering crowds. Those smiles were not forced. There was a happiness in their hearts which would have brought smiles to their faces if the streets had been as deserted as a mountain top.

* * *

In Passing

It would be against the camaraderie of politics were I to fail in this column to record the excellent performances of my fellow back benchers who moved and seconded the reply to the Speech from the Throne. While one refers to these gentlemen as back benchers they are in fact both of them front benchers albeit below the gangway. Captain Balfour sits on the front bench on the Opposition side which holds such strange company as Col. Gretton, James Maxton & Co., Sir Henry Page Croft and various others. It is a bench which has never yet agreed on a single issue except its overcrowding. Mr. Mabane sits on the front bench immediately opposite which is reserved for the National Liberals and such but has as its prefect no less a personage than Mr. Churchill.

Captain Balfour not only looked well in his court dress but brought an excellent style and voice to his perilous task. He has that elusive thing called style which is as inexplicable as charm. As the school boy said about the elephant, I cannot describe style, but I recognize it when I see it. Mr. Mabane's speech would probably read better than Captain Balfour's, but it was delivered in such a forthright manner that cne was not allowed to see the jewelled phrases coming to life. Mr. Mabane is an able man and would make an excellent minister. His efficiency was a good foil to the urbanity and poetry of Captain Balfour's manner. At any rate their performance convinced us all that there are better fish in the distant reaches of the parliamentary river than is suspected by the ministerial anglers.

* * *

Lord Dufferin

Let us now turn to a young man who is making a first-rate career for himself in spite of having been at Eton and Balliol and having inherited a distinguished title. I hope that Lord Dufferin's health will not be long impaired by the present trouble with his appendix. There are both charm and ability in this alert, dark-haired young man of 28 who somehow contrives to reach out eagerly for life's adventures yet maintains a serious sense of responsibility. Perhaps the responsbility comes from contemplating the record of his grandfather, who was one of the really great Governors of Canada and Viceroys of India.

In many ways Lord Dufferin is more like a character in one of Disraeli's novels than a young man of today. His record at Eton was brilliant, and he won a Brackenbury scholarship at Oxford. Unfortunately for the ambitions of his tutors, he found more interest in life than in books, and forsook scholarship for the broad highway of practical experience. Vivid happenings usually come to vivid personalities, and he soon began to attract the lightning. It was a miracle that he was not killed in a motor car disaster in the south of France four years ago, for it was only at the last moment that he changed his mind and took the train instead. The next year he nearly lost his life in an airplane which nose-dived at Le Touquet. When one of his friends asked him if he was not superstitious about flying in view of his father's death in the air disaster near Meopham, young Dufferin shook his head. "The law of averages is against it," he remarked coolly. During the last session Lord Dufferin made an excellent impression in the House of Lords, where he acted more than once as spokesman for the Government. In fact, with his energy, his humor and his zest, it is just as well for the ambitious young men in the Commons that heredity has put him in a place which limits his political future.

* * *

Off to Palestine

There is a stupid, but contagious, popular song of the moment that has as its refrain "Oh, they're tough, mighty tough in the West." Sung in a lazy nasal drawl and entirely without emphasis, it is not without humor. Yet I doubt if the West can produce anything tougher than Sir Charles Tegart, who is going to Palestine to advise on measures to be taken against the terrorists.

Sir Charles is an Irishman and the son of a clergyman. Some day an interesting volume should be published on clergymen's sons. They seldom fail to make their existence known to the world. If it can be said that Irishmen enjoy breaking the law, they are also the most persistent upholders of it. The New York police force, for example, is almost entirely Irish. Therefore it was in the tradition of his race that young Charles Tegart should join the Indian Police in 1901. By the time he rose to be Chief Commissioner of the Calcutta Police some ten years later he had made his name feared throughout the Indian underworld.

They called him "The Man of Iron," and for once the flamboyancy of the title was justified. In 1923 he was the intended target of a bomb that killed an Englishman near him. In 1930 he was driving through the principal thoroughfares of Calcutta when another bomb was thrown at his car. He was uninjured, and jumping from the car he joined in the chase and capture of the two Bengalis, although one eventually got away. It is always difficult to separate legend from fact in so colorful a record, but the rumor spread that Sir Charles had a charmed life and was immune from the assassin's bullet. Certainly the attempts on his life were more than I have mentioned.

It was expected by some that Sir Charles would success Lord Byng at Scotland Yard, but the appointment did not go through. I remember some of the discussions at the time and imagine that he was side-tracked on the plea of political expediency. He has no illusions about his new task. It is a thankless and difficult job that confronts him, and he knows too well that there is little reward for the man who puts down terrorism. That will not deter him. But I hope we shall remember what the nation owes to him if questions begin in Parliament about our harsh treatment of innocent men who never intended to injure anyone with the guns concealed on their persons.

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Dominion Stores Sales Gain 2.64% in Period

An increase of $38,631, or 2.64%, is reported by Dominion Stores for the four-week period ending Oct. 30, 1937, over the corresponding period of 1936. During the period the company operated 472 stores, a reduction of 15

For the 11 periods reported so far this year, the company shows a net increase of $133,197 over the corresponding 1936 period.

Monthly Sales
(Subject to final adjustment)

Four week period ended:	1937 $	1936 $	Incr. %
Jan. 23	1,457,927	1,413,478	3.14
Feb. 20	1,474,990	1,452,068	1.58
Mar. 20	1,544,860	1,513,367	2.08
Apr. 17	1,547,273	1,510,892	2.41
May 15	1,515,533	1,517,152	*0.11
June 12	1,503,839	1,463,362	2.77
July 10	1,500,204	1,511,080	*0.72
Aug. 7	1,452,738	1,484,725	*2.15
Sept. 4	1,399,045	1,467,763	*4.68
Oct. 2	1,519,101	1,487,037	2.16
Oct. 30	1,498,566	1,459,935	2.64
	16,414,076	16,280,879	.81

*Decrease.

Arrears Paid By Aluminium

Action Taken Indicates Big Earnings for Current Year

From Our Own Correspondent

MONTREAL.—Substantial rise in the earning power of Aluminium Ltd. is indicated by the action of the directors in paying off all dividend arrears on the 6% preferred.

The preferred was issued in the early part of 1930. Regular dividends were paid up to and including March 1, 1932. On June 1, 1932, the quarterly dividend was reduced to 75 cents a share and thereafter passed until March 1 last, when the company resumed the regular quarterly payment of $1.50 a share. Last June $5.25 was paid, including $3.75 on account of arrears. On Sept. 1 a further payment of $4 was paid on account of arrears and the current declaration of $20 a share, payable to shareholders of record Nov. 15, Dec. 1, cleans up all the arrears.

With a regular quarterly dividend and distribution on account of arrears, Aluminium Ltd. has paid a total of $32.75 a share on its outstanding preferred this year, making an aggregate distribution of $4,220,302.

Last year earnings of $18.56 a share on preferred were reported and a cumulative earned surplus of $3,223,232. Cumulative earnings on the preferred during the period from 1931 to 1936 totalled only $25.42 a share.

Public Finance Reduces Dividend

Preferred Arrears Eliminated, Dividends Made Noncumulative

Holders of shares in Public Finance Corp., Winnipeg, on Oct. 29, approved a capital reorganization to eliminate preference arrears and reduce preference dividend requirements.

The preference stock, of which 8,478 shares of $10 par value were outstanding at April 30, 1937, carried a 7% cumulative dividend. Since Dec. 31, 1934, dividends have been paid at the rate of 4% per annum and accumulated arrears totalled $6,782 at April 30.

Proposals adopted by the meeting are as follows:

(1) Holders of present 7% preference shares receive the same principal amount of a new 4% stock;

(2) Dividends on the new stock are non-cumulative where the present stock carries a preferential cumulative dividend.

The company's capitalization, at April 30, 1937, was as follows:

	Authorized	Outstanding
7% pref., $10 par	$250,000	$84,780
Class A common, non-voting	15,000 shs.	3,800 shs.
Class B common, voting	15,000 shs.	6,246 shs.

No changes are being made in the class A and class B common stocks.

No statement of earnings for the company is available but the balance sheet as at April 30, 1937, shows current assets of $332,287 made up of $12,664 in cash, $10,600 in investments and $309,023 in notes receivable. Current liabilities of $207,461 are mostly loans payable of $214,990. The company has a 6% debenture issue of $10,403, including accrued interest, due Dec. 1, 1943. A surplus account of $2,723 is shown. Total assets amount to $346,687.

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Popular "PROM" dress shirts at 2.50. Exclusive "Knickerbocker" dress shirts at $3. Our famous "Guild" dress shirts at $5.

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"Woodrow's" famous English opera hats at $10 and 13.50. Silk hats from this celebrated London maker at 13.50 and 16.50.

White kid dress gloves at 2.50 and 3.50. White chamois at 3.50.

Plain or clocked silk socks at $1, others clocked at 1.50, and imported French ribbed socks at 2.50.

Wide selection of dress sets from $1 to $17.

Accessories on STREET FLOOR

Simpson's

THE STORE FOR MEN

Investment Trends

Action of Stock Averages Indefinite As to Trend

Reduction in Brokers' Loans Indicates Stronger Situation—Canadian Exchanges Cut Margin Requirements

Movement of stock market averages since the August-October decline has been in what analysts describe as "a line formation." That is, the averages show share prices to be fluctuating in a rather narrow price range in the vicinity of low levels established in October.

Sometimes line formations of this sort mark a change in the general direction of the price movement. The signal for a change of that type is usually given when the averages break out of their minor fluctuations. If prices break away on the up side, it will be taken as indicative of a rising price trend at least for a short time afterward. However, it has not yet been established that the downward trend of prices, which started last March, has ended. Charts of the averages still show a downward zig-zag. It is considered the better part of valor to await a change in the zig-zag to a definite upward movement before counting too confidently on a turn of the tide.

The sudden recovery of popularity for shares of established dividend-paying gold mines, as a hedge against depression, seems reminiscent of the wide popularity of other types of stocks a year or two ago to hedge against inflation.

Strengthening Situation

Enormous reductions in borrowings of Montreal and Toronto stock exchange members indicate liquidation of speculative accounts and therefore suggest improvement in the technical position of stocks. The September figures show total borrowings on collateral securities of $28.4 millions by Toronto members, a reduction of some $18.4 millions from the high of $46.8 millions reached last January. Similarly, there has been a marked deflation in borrowings of Montreal firms.

Stock exchange firms borrow on securities mostly to finance margin accounts of clients. The decline of loans reflects partly the decline in prices of securities. It also shows that the proportionate supply of stocks in speculators' accounts has been decreasing as investors have been taking up the burden of carrying the market.

Just as pronounced growth of speculative borrowings indicates weakness in the price structure on exchanges, sharp decreases indicate strengthening of the underlying situation.

* * *

Lower Margins

Lowering of margin requirements on Canadian stock exchanges, following similar changes in the United States, may be overemphasized in the general effect on the long-term price trend which is the main concern of the investor.

Modification of margin requirements is a concession to those who have funds tied up in stocks at higher prices. And it may encourage a few to buy stocks. But the real investor is a cash buyer. Since the influence of margin reductions on prices is indefinite, and the investor buys for cash anyway, the move may not mean a great deal. However, it can be said safely that it does not weaken the investment values of common shares.

* * *

Influence of Stocks

Discussing the business background of this year's marked decline of stocks, The Bank of Nova Scotia's monthly review succinctly remarks:

"Unfortunately the stock market may be more than a barometer of business change; it may itself influence the course of business. To say that the recession has not been justified by the economic background does not necessarily mean that stock values will recover. It may possibly mean the reverse, if the shock to confidence caused by declining values is sufficiently severe. In other words, if a sufficient number of people believe that business is going to deteriorate and act accordingly, business may well deteriorate. The fact that the economic background is generally favorable reduces, but does not eliminate, the possibility of a marked recession in business."

Similar thoughts have been expressed in this column in the past few months, with the feeling, however, that recession of business under present conditions is likely to be short-lived.

* * *

Plentiful Money

Quick sale of last week's Dominion Government loan of $100 millions shows that credit conditions underlying markets for securities are still characterized chiefly by easy money. The fact that one-sixth of the maturing 5½% bonds is being paid off in cash by the Dominion, means, of course, that only five-sixths of the refunding loan was available to holders of the maturing bonds.

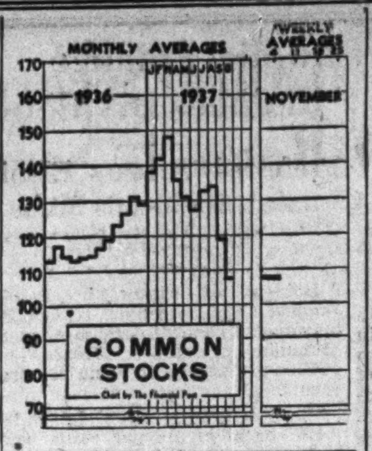
The credit situation does not suggest a rapid rise in yields on bonds unless there is some such calamity as war. This basic influence beneath the values for other securities therefore remains a factor of firmness. Yields on common stocks have risen in the past year from slightly over 4½% to more than 5½%. It is not an unfavorable indication as long as common shares give returns substantially above yields on prime Government bonds and the best quality corporation bonds.

* * *

Stocks For Depression

British investment papers appear to be preparing the investing public for a depression. The Stock Exchange Gazette has begun a series of articles on "Shares Which May Resist Depression." The first article deals with consumers goods companies. The second is to discuss shares of companies in new or specialized industries likely to go on expanding despite fluctuations in industrial activity.

The Investors' Chronicle and Money Market Review, discussing the British trade situation, at the end of October, states that an investment rally on the London Stock Exchange could come, but hardly a major revival. Weakness in the commodity markets, particularly cotton, rubber, metals and wheat, will make difficult any increase in British export trade which Sir John Simon expects to compensate for a decline in internal trade. The Investors' Chronicle also mentions the tendency shown in Great Britain this year for a decline in rate of investment in capital goods or construction.



Walker's Doubles Dividend Rate

Payment of $1 a Share Places Common on $4 Annual Basis

A quarterly dividend of $1 a share has been declared on the common stock of Hiram Walker-Gooderham & Worts, Ltd., payable Dec. 15, 1937, to shareholders of record Nov. 26. This declaration doubles the regular rate which had been 50 cents a share per quarter.

The company, in its preliminary report for the year ended Aug. 31, 1937, showed net profits available for the common stock equivalent to $8.29 a share. This is more than double the new annual dividend rate of $4 a share.

H. R. Walton, Detroit, has been elected a vice-president of Hiram Walker-Gooderham & Worts, Ltd. Mr. Walton was elected a director in June.

It is expected that the company's complete annual report will be mailed to shareholders some time next week. The preliminary report appeared about the middle of October.

Perron Sets Record

From Our Own Correspondent

MONTREAL.—Perron Gold Mines reports production in October the highest for any month on record, owing to a substantial increase in the average grade of ore treated. The month's output totalled $100,202, as compared with $79,726 for September and $75,660 for August.

During the last half of the month the mill was operated at 99.95% of possible running time, on an average daily tonnage of 343.21 tons. The recovery totalled $55,063 for the period, being an average of $10.23 a ton.

Investment Notes

Canada Cement—The fiscal year ends this month and expectations are that earnings on the preferred stock will show a substantial increase over last year This is indicated in part by the fact that the company is now paying a dividend of $1.25 a share quarterly. Arrears of dividends on the stock amounted to about $30 a share.

* * *

Shawinigan — The manner in which earnings have increased this year has led to the expectation that the directors will take steps before long to put the common stock on a higher dividend basis. At present the company is paying 80 cents a share and there is talk of an advance to $1 a share. At this rate the return on the present market value would be about 5%.

* * *

Bathurst—Reports that the kraft industry in the United States is facing difficulties may react unfavorably to Bathurst, which has developed an important kraft liner business.

* * *

Howard Smith — The common stock has been "draggy" for some time and is currently selling around 15½. Unofficial reports are that there has been a slowing up in operations due to a restriction of advance buying of the finer grades of paper.

* * *

Canadian Celanese — Sales and earnings of the company are reported to be well up to those for the same period last year, but the stock attracts little attention. At the current rate of dividends, the yield on the present market value is quite substantial.

* * *

Seagrams—Interest in Seagrams stock revived this week for the first time in many months. The report for the past year indicates a marked expansion in operations and substantial earnings on the common. Dividends are being rumored, but so far the management has given no indication of what it intends to do.

* * *

Charles Gurd—Sales and earnings this year are reported to be slightly ahead of 1936, and expectations that the dividend on the common stock will likely be the same as last year, namely, 20 cents a share.

* * *

Brazilian Traction—Brazil has decided to reduce the export tax on coffee by from 50% to 75% in an effort to stimulate sales. Brazilian exports of coffee for the first four months of the current crop year beginning July 1 have been 18% lower than a year ago, while in the crop year ended June 30, 1937, Brazilian exports were 12% down although other countries exported about 11% more. Whatever the final result of Brazil's attempt to regain its former share of the world coffee trade, the immediate effect has been to cause a drop in the exchange value of the milreis to around 5.6 cents after being well over six cents earlier in the year. In terms of Canadian dollars, earnings of Brazilian Traction seem likely to suffer.

* * *

Gold Stocks—In their current investment letter, Wills, Bickle & Cayley, Toronto Stock Exchange firm, advise the investment of a proportion of funds available for equities in dividend-paying gold stocks as a hedge against present investment risks. Present yields offset the more remote risk of reduction in gold price or artificial restriction of production while, in the event of a major business collapse, costs of mining would drop and earnings increase.

* * *

Harding Carpets — It is expected that net profits for the year ending Oct. 31, 1937, will show an increase over the 1936 figures of 31.9 cents a share. The report will not be issued until early in December. For the first six months of the current period profits were officially reported at 19 cents. Working capital position will also probably be stronger than the 327,370 reported last year, in spite of capital expenditures approximating $50,000 made during the year for spinning machinery.

* * *

Gypsum, Lime & Alabastine—It is understood that the company's sales and profits are considerably ahead of those for last year, even though extraordinary charges, such as the Thames River flood disaster of last spring have had to be faced. Fiscal year ends Nov. 30 and net profits for the year ended Nov. 30, 1936, were equivalent to nine cents a share on the common.

St. Joseph de Grantham

From Our Own Correspondent

MONTREAL. — The town of St. Joseph of Grantham (Drummondville) sold a serial bond issue of 4%, totalling $75,000, to Comptoir Nationale de Placements Ltée., Montreal. The assessed value of property for taxation is over $1 million as against a net funded debt (including present issue) of less than $100,000. These bonds are non-callable prior to maturity.

Beaufor Strikes Ore

From Our Own Correspondent

MONTREAL.—Drilling on the Beaufor Mining Corp. property has indicated an important new ore zone, according to a report by J. C. Norrie, general manager, covering developments at the mine for the period October 16 to 31.

M. & O. Paper Shows Deficit

Sales Gain But Slackening Demand and Lower Prices Felt

Sales of Minnesota & Ontario Paper Co., as reported by the trustees for the period from Jan. 3, 1937, to Sept. 12, approximately nine months, gained $2.5 millions over sales for the corresponding period of 1936, an increase of about 34%.

Before providing for interest charges and head office depreciation, the company shows net income of $659,060 compared with a deficit of $64,591, a gain of over $700,000. Net deficit for the period, although lower than in 1936, is still substantial at $1.2 million.

Working capital of $5.8 millions is approximately $1.3 millions above that reported at the end of 1936. Largest single item of improvement here is in cash which amounts to $1.4 million against $683,804 at Dec. 31, 1936.

Actual profit and loss items and working capital follow:

Profit and Loss Account

	Jan. 3 to Sept. 12 1937 $	Jan. 5 to Sept. 13 1936 $
Sales	11,192,047	8,684,678
Less: Cost of sales§	9,451,237	7,846,504
Gross profit	1,740,810	838,174
Less: Gen. exp., etc.	1,150,725	983,845
Operating profit	590,085	*145,671
Add: Other income	68,975	81,080
Net income	659,060	*64,591
Less: Head office depr.	5,482	4,877
Interest paid	44,727	16,161
Interest not paid	1,731,639	1,684,220
Other P. & L. items (net)	‡21,570	207,279
Reserve†	......	135,519
Net deficit	1,101,218	2,112,647
Less: Prev. surplus	6,730,105	10,025,285
Surplus forward	5,628,887	7,912,638

*Deficit. ‡Credit item. §Includes depletion and depreciation. †For redemption of National Pole & Treating Co. stock.

Working Capital

	Sept. 12 1937 $	Dec. 31 1936 $
Current assets	7,110,812	6,092,479
Current liabilities	1,270,325	1,580,427
Working capital	5,840,487	4,512,052

Profit and Loss and Operating Deficit Acct. Year Ending Feb. 27, 1937

	$
Operating profit	10,970
Less: Bond interest	39,200
Depreciation	45,411
Loss	73,640
Add: Previous deficit	151,244
Fed. inc. tax	552
Equipment scrapped	4,261
Provincial taxes	5,451
Less: Reserve written off	4,333
Deficit forward	230,816

Working Capital

	$
Current assets	108,232
Current liabilities	187,067
Deficit	78,835

Capacity Operations

The trustees report that mill operations during the period continued at approximate capacity. Some interruptions occurred because of excess of tail water and power difficulties. Last season's supply of pulpwood contained considerably more jack pine and poplar than heretofore as methods of using these woods have been much improved. The trustees note a definite trend toward higher costs for pulpwood.

Regarding newsprint sales it is said that these continued at good rates although some recession was noted in July and August. Excellent progress has been made in renewing contracts expiring at the end of this year.

Other Sales Down

Some tendency toward lower prices and slackening of demand for specialty papers has been seen recently, although generally good sales are reported. Sulphite pulp sales have been decreased and prices reduced by the influence of the Sino-Japanese war which has released large supplies from the west coast formerly going to the Orient.

A noticeable slump in kraft paper sales and some decrease in prices is reported for recent months. Bag paper production is being materially reduced but it is hoped to offset this by other classes of paper. Determined amounts of kraft insulite and specialty papers have been placed in inventory and the rise in inventories from $2.8 millions to $3.1 millions probably reflects this to some extent.

With regard to reorganization plans, it is stated that these await the completion of the survey and appraisal of properties by Day and Zimmerman which is now nearing completion. It is expected that the report will be available by the end of the year.

Obituary

James J. Salmond, president and general manager of The Monetary Times Printing Co., Toronto, died suddenly last week. He was 64 years of age.

Born near Liverpool, England, he served his apprenticeship as a mechanical engineer in that country, and went to New York at the age of 23. In 1902 he came to Canada as advertising manager of The Monetary Times. He was elected president of the company in 1917.

I. P. to Consider Senior Dividend

From Our Own Correspondent

MONTREAL.—Directors of International Paper & Power Co. are expected to meet next Tuesday, when consideration will be given to the dividend on the new preferred stock.

Under the plan of reorganization carried out a short time ago, the new 5% preferred is entitled to a cumulative dividend from the beginning of the year. Indicated earnings for 1937 are around $10 to $11 a share.

C.P.R. Profits Jump To Ten-million Mark For the Current Year

(Continued from page 1)

so hopeful. Car loadings of grain during the first part of 1938 will probably show a further reduction and should the expected business recession set in, carloadings of other commodities may also recede. At the same time the company will be faced with higher operating costs than in the first half of 1937, since by April 1 next wages will have been restored to their 1929 level. Improvement in 1938, therefore, is entirely dependent upon continuance of the upward trend of business and upon a good wheat crop in western Canada.

Dividend Possible

In view of the improvement in earnings this year it is possible that the company will make some dividend payment on its 4% preferred stock early next year. On April 1 of this year the company paid a preferred dividend of 1% out of 1936 earnings, the first since 1932, and at the annual meeting Sir Edward Beatty, president, indicated that regular dividends would be resumed as soon as earnings permitted.

While probable earnings on the preferred this year would indicate that the company could pay the 4% dividend in full, it should be noted that advances to the Minneapolis, St. Paul and Sault Ste. Marie Railway, under the C.P.R. guarantee of interest on that company's bonds are a heavy drain on the company's treasury. Since another $3 or $4 millions will have to be advanced this year, the amount available for C.P.R. dividends is considerably reduced.

Uncertainty in regard to earnings in 1938 is another factor hindering the resumption of regular dividends on the preferred. There is little or no prospect of a dividend on the ordinary stock next year.

Three Branches Closed

The Canadian Bank of Commerce announces the closing of three more branches in Saskatchewan on Nov. 15. They are located at Buchanan, Ridgedale and St. Brieux.

Stop & Shop Sales Improve

New Type Stores Increase Business—Deficit Last Year

Financing of extensive alterations to 24 stores in the Toronto area has been done by Stop & Shop Ltd. through the issue of $80,000 second mortgage 6% bonds due 1939, according to the annual report for the year ending Feb. 27, 1937. These bonds were authorized during the year, but none was issued until after the close of the period. It is stated that all these stores have shown a substantial increase in sales since they were remodelled into "Shopeteria" or self-service units.

Net loss of $34,229 after depreciation but before bond interest is reported for the year. Bond interest of $39,200 left a deficit of $73,640. The company's deficit at the beginning of the period was $155,244 and after the addition of the loss for the period, was further increased by tax provisions and property writeoffs to $230,816 at the end of the year.

During the year Stop & Shop acquired ownership of Thrift Stores under a plan whereby the latter company acquired all the current assets of Stop & Shop and continued as the operating organization. Stop & Shop thus became a holding company as far as merchandising operations were concerned, owning 7,003 first preferred, 12,000 shares second preferred, and 10,000 common shares of Thrift Stores, valued in the balance sheet at $228,615. It retained ownership of its building and equipment, leasing these to the operating company at .5% of the net value of the premises, and .83% of the net value of the furniture and fixtures. The companies operated under this arrangement for the last eight four-weekly periods of the year, and the report states that a number of savings are being effected by the larger operations, and by the eradication of duplicate services.

Eastern Light and Power Wants Dominion Utilities

From Our Own Correspondent

MONTREAL.—Eastern Light and Power Co. has made application to the Nova Scotia Board of Public Utilities for authority to absorb the Dominion Utilities Co. The latter is controlled by Dominion Coal Co. and distributes power in New Waterford and Birch Grove, and also sells energy in bulk to municipalities at Glace Bay and Louisburg.

Dominion Utilities has less than 2,000 customers and the capital investment is understood to be under $100,000.

Dominion of Canada Bonds

Dominion of Canada Bonds are the safest and most saleable securities available to Canadians and should form a suitable part of every investment portfolio.

Dominion of Canada 3¼% Bonds
Due November 15th, 1951
(Callable at 100 on or after November 15th, 1948)
Denominations: $1,000, $500 and $100.
Price: 99.25 and interest, yielding 3.31%

Additional bond offerings gladly furnished upon request.

Wood, Gundy & Company Limited
36 King Street West, Toronto
TELEPHONE: ELGIN 4321

Montreal Brokers' Loans Off Sharply in October

From Our Own Correspondent

MONTREAL.—Montreal brokers' loans showed a further sharp decline during the past month. Collateral borrowings of member firms of the Montreal Stock Exchange totalled $18,033,057, as at October 31, a drop of 31.7% from the previous month when loans totalled $26,399,795.

The current figure is the lowest since February 29, 1936, when loans to member brokers amounted to $17,846,208. On October 31 a year ago they totalled $26,587,771.

New Receiver Appointed For Concourse Building

Guaranty Trust Co. of Canada has been appointed receiver and manager for the Concourse Building, Toronto. This action has been taken by order of Mr. Justice Kingstone following action taken by the Royal Trust Co. to enforce the security of the 7% first mortgage bonds of Adelaide-Sheppard Co.

Interest on the Adelaide-Sheppard bonds, which is guaranteed by the estate of the late Mrs. Theresa Small, was not paid on Sept. 15, 1937, when due, and the 1937 taxes have not been met.

WALTER C. THOMPSON and GERALD D. MARTIN

announce the dissolution of the partnership of Thomson, Martin & Co.

Mr. Thomson will continue the business, as heretofore carried on by Thomson, Martin & Company, at the same address, 330 Bay Street, Toronto, under the name and style of

WALTER THOMSON & COMPANY

Mr. Martin will retire from the firm to pursue his interests in mining development.

Toronto, Nov. 9th, 1937.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	261.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	166.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Sept.	122.8	29.3	89.1	205.3	73.3	167.9	118.3	159.4	78.6	84.9	57.4	118.9
Weekly Figures, 1937:												
Oct. 7	116.2	26.5	78.4	201.8	71.7	162.3	113.8	145.1	76.8	82.6	55.8	113.6
Oct. 14	107.3	22.4	72.8	196.0	71.2	161.4	107.5	136.8	72.8	82.4	53.0	108.1
Oct. 21	98.5	20.9	66.4	186.6	66.1	149.6	102.1	127.5	67.6	80.5	49.9	102.2
Oct. 28	106.9	23.0	73.8	195.2	68.5	153.7	107.4	134.6	71.7	80.8	52.2	106.7
Nov. 4	109.5	23.0	73.2	196.5	69.1	158.0	114.2	138.3	72.9	80.4	52.9	108.0

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 9	123.96	121.62	110.97
Nov. 8	122.96	120.42	109.54
Nov. 6	124.72	119.85	110.46
Nov. 5	125.62	121.43	111.70
Nov. 4	126.15	119.49	112.86
Nov. 3	126.48	113.03	113.22
Month ago	133.21	114.91	127.50
Year ago	159.04	146.17	178.07
High, 1937	187.67	168.59	215.36
Low, 1937	110.63	96.27	97.01

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 9	68.6	74.8	72.7
Nov. 8	69.6	74.0	72.5
Nov. 6	70.3	74.9	73.3
Nov. 5	70.5	76.1	74.2
Nov. 4	70.5	75.7	74.0
Nov. 3	70.5	76.3	74.4
Month ago	71.0	77.2	75.2
Year ago	80.5	94.0	89.5
High, 1937	92.5	122.3	109.5
Low, 1937	64.0	61.4	62.3

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

New Issue

CITY OF QUEBEC

$1,099,800 3½% serial bonds
(non-callable)

$1,588,400 4% twelve-year bonds
(non-callable until 1947)

To be dated: November 1, 1937 — 3½s, to mature: November 1, 1938-45; 4s, to mature: November 1, 1949

Principal and semi-annual interest (May 1 and November 1) payable in lawful money of Canada in Quebec, Montreal and Toronto. Callable as a whole or in part after November 1, 1946, on any interest payment date, on 3 months' notice, at 100 plus accrued interest. Registration as to principal only.
Denominations: $1,000, $500 and $100.

Legal opinion:—MR. J. EUGÈNE CHAPLEAU, K.C., for the City,
MESSRS: DUPRÉ, DE BILLY, PRÉVOST & HOME, Quebec, for the Selling Agents.

Legal Investment for Trustee Funds in the Province of Quebec and for Funds of Insurance Companies registered under the Canadian and British Insurance Companies' Act, 1932

Contracted under by-laws Nos. 274-9 inclusive, and duly approved by the Quebec Municipal Commission, this loan constitutes a direct obligation of the City.

These bonds form part of a total $4,461,200, of which $1,773,000 3½s, due November 1, 1938-57, are destined for the City's sinking fund.

The proceeds of the total loan are to be applied to the funding of capital expenditures; to the refunding of 5% issues; and to the funding of certain deficits and of direct relief expenses.

Descriptive circular will be forwarded upon request.

Subject to prior sale and allotment, for delivery if, as and when issued and received by us, and subject to the approval of Mr. J. Eugène Chapleau, K.C., for the City and of Messrs. Dupré, de Billy, Prévost & Home, for the Selling Agents, we offer the following bonds, on behalf of the City, at the undernoted prices:

Coupon	Maturity	Amount $	Price (plus accrued interest)	Approx. Yield to Maturity
3½%	1938	121,600	100.00	3.50%
3½%	1939	125,800	100.00	3.50%
3½%	1940	130,100	100.00	3.50%
3½%	1941	134,700	100.00	3.50%
3½%	1942	139,400	100.00	3.50%
3½%	1943	144,300	99.50	3.59%
3½%	1944	149,400	99.00	3.66%
3½%	1945	154,500	98.50	3.72%
4%	1949	1,588,400	100.00	4.00%

< It is expected that interim certificates will be ready for delivery on or about November 18, 1937 >

L. G. Beaubien & Co. Limited
Banque Canadienne Nationale
Wood, Gundy & Company Limited
The Provincial Bank of Canada
Greenshields & Co. Incorporated
Royal Securities Corporation Ltd.
Hanson Bros. Incorporated
Ernest Savard, Limitée
Crédit Anglo-Français Limitée
René T. Leclerc, Incorporated
Dubé, Leblond & Compagnie, Inc.
J.-C. Boulet, Limitée
Garneau, Boulanger, Limitée
McTaggart, Hannaford, Birks & Gordon, Limited
W. C. Pitfield & Company Limited
McLeod, Young, Weir & Co., Ltd.
Bell, Gouinlock & Co. Ltd.
R. A. Daly Co. Limited
Lagueux & Darveau Limitée
Ross Brothers & Co. Ltd.
J.-E. Laflamme Limitée
La Corporation de Prêts de Québec
Lucien Côté, Inc.
Jos. Morency Limitée
Bruno Jeannotte, Limitée
Canadian Alliance Corporation Limited

This advertisement is published on behalf of the City of Quebec and is based upon official information.

Bond Markets

Dominion Loan Success May Spur On Financing

Allotments For Long-term Issue Cut to 52% While Trading Holds New Bonds at Above Offering Prices

Subscribers to the 14-year 3¼% bonds, offered by the Dominion of Canada last week at 99, were allotted only 52% of their subscriptions, although total allotments of this portion of the $100 millions issue totalled $60 millions. This would indicate that the long term 3¼% bonds were over-subscribed almost two times.

Allotments of the two shorter term issues were $20 millions each and it is understood that these also proved attractive to the investor and that allotments were for substantially less than amounts for which application was made. On the seven-year bonds, allotments were about 65% of subscriptions.

Trading in the seven and fourteen-year maturities opened at a premium over the original offering price.

The bond market has been awaiting this Dominion financing for some time and this has probably contributed to the lack of activity noted. Now that it has been successfully handled it is quite possible that other borrowers who are in need of funds will make offerings. Brantford has sold a $100,000 issue at a cost basis of 3.37% by private sale, while the city of Quebec is offering approximately $2.7 millions of 3½% serial and 4% 12-year bonds. New Brunswick is expected to make another attempt to raise money in the Canadian market, this time for about $6.5 millions. Other provinces may follow.

Reinvestment Helped

Success of the Dominion issue is partly due to the fact that it was a refunding loan, a large number of investors making arrangements for reinvestment of funds when their 5½% tax free bonds mature on Dec. 1. In addition, however, there was a large amount of buying from other sources. Large blocks were taken by the insurance companies and the banks.

As would be expected, large blocks of the 5½% tax free issue were held by the banks, institutional investors, wealthy estates and individuals. However, these constituted a smaller amount of the total than is generally thought, about $50 millions of the amount now outstanding being registered in the names of small investors. Not all of the bonds were registered.

Banks and investment houses report a large volume of small subscriptions, a large part coming from holders of the 5½% bonds.

Reinvestment in the new bonds will mean a substantial cut in income for a large number of the holders of the 5½% tax-free bonds, but if their funds are to be invested in high-grade Government securities, then they have little alternative. Without doubt, the uncertainty in the business outlook has been a factor in the success of the loan, other channels of investment not appearing too attractive at present.

• • •

Changing Bond Buyers

Evident for some time now has been the growing dominance of institutional investors, such as life insurance companies, banks, endowment funds, trust funds of various kinds and wealthy corporations of all kinds, in providing new capital through bond issues sold to them. Without these investors the tremendous sums borrowed by numerous governmental bodies in Canada could never have been raised in the past few years. This trend, however, has had certain marked effects on the three parties concerned, the investor, the investment dealer or distributor and the borrower.

The Commercial and Financial Chronicle recently analyzed what had happened to bond buyers in the United States and, to quite an extent their conclusions apply to Canada as well.

• • •

Analyzing the Result

Institutional buyers of new bond issues in the United States have become so dominant in the market that large potential investors are regularly consulted as to the terms of the issue and the indenture provisions before any offering is made. As the only large sources of new capital, these institutional investors have, in a sense, enjoyed a buyers' market, but because of the large amounts of money seeking investment and direct government campaigns to compel low interest rates, this has not meant that investors have been able to obtain any better yields.

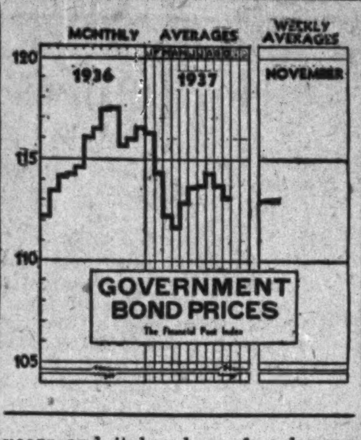
Individuals who used to be large buyers of all classes of high-grade bonds have been forced out of the market by the purchases of the institutions, but another important factor has been the unusually low yields that could be obtained from good bonds. These returns did not provide a living to those dependent on such sources for their income. But insurance companies, for example, must keep their funds invested even at low rates. What will happen if the time comes when banks, both in Canada and in the United States, cease to become investing institutions and find employment for their funds in commercial loans is hard to say. Undoubtedly other purchasers will have to be found for a large volume of bonds now held by the banks and also to provide industrial and government needs for new borrowings. One point which should make this adjustment easier is that it is not likely to come all at once, but gradually over a considerable period.

• • •

Higher Yields Wanted

It is hardly likely that the small investor, in large numbers, will be attracted to high-grade corporation bonds by yields of less than 4%, with yields of up to 5% even more desirable from the individual's standpoint, but, of course, more costly to the borrower.

In the United States, distributing methods have also changed as a result of the dominance of the institutional investor. Investment dealers have organized their staffs to serve these large buyers at the expense of the individual. Underwriting margins have been much smaller than prevailed in former years and it has been found more profitable to distribute bonds on the new basis without making the same intensive canvass of the small buyers that used to be customary.



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Bond Index

Movement of The Financial Post index of high-grade Government bonds over the past week is shown in the table which follows:

Average Price and Yield For Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Nov. 8	113.32	3.294	Nov. 7	115.66	3.159
Nov. 6	113.31	3.290	Nov. 6	115.52	3.167
Nov. 5	113.28	3.291	Nov. 5	115.46	3.174
Nov. 4	113.28	3.291	Nov. 4	115.51	3.164
Nov. 3	113.11	3.313	Nov. 3	115.48	3.169
Nov. 2	112.87	3.333	Nov. 2	115.64	3.154
Year's	116.81	3.206	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Bond Sales

Barrie, Ont.

The town has sold $50,000 of 3½% five-year installment debentures to J. L. Graham & Co., Toronto, at 101, a cost basis of 3.15%. Proceeds of the debentures are to be used to retire the town's loan from the Bank of Toronto.

Woodstock, Ont.

The city has sold $19,318 of 3½% four-installment debentures to Dominion Securities Corp. at 102. Complete list of tenders received follows:

	Bids
Dominion Securities Corp.	102.
A. E. Ames & Co.	101.90
Imperial Bank	101.65
Bartlett, Cayley & Co.	101.51
R. A. Daly & Co.	101.53
J. L Graham & Co.	101.21
Dyment Anderson & Co.	100.90
Mills, Spence & Co.	100.517
Fry & Co.	100.395

City of Quebec

A syndicate headed by L. G. Beaubien & Co. is offering $1,099,800 of 3½% serial bonds, due Nov. 1, 1938-45, and $1,583,400 of 4% 12-year bonds, due Nov. 1, 1949, of the City of Quebec. Offering price for the 3½% bonds maturing 1938 to 1942 inclusive is 100; bonds due 1943 offered at 99.50 to yield 3.59%; bonds due 1944 at 99 to yield 3.66%; bonds due 1945 at 98.50 to yield 3.72%. The 4% bonds due 1949 are offered at 100. The 3½% bonds are non-callable but the 4% bonds are callable in 1947.

The bonds are part of a total issue of $4,461,200 of which $1,773,000 3½% bonds, due Nov. 1, 1938-57, are destined for the city's sinking fund. Proceeds of the total loan are to be applied to the refunding of certain 5% issues, funding of capital expenditures and certain deficits and direct relief expenditures.

• • •

Province of Quebec

Premier Duplessis has announced that the province has obtained a loan of $10 millions at 1¾% to meet a maturity for a like amount. It is understood that this is in the form of a bank loan for six months from the Bank of Montreal.

Municipal Finances

Toronto, Ont.—The current year will be the first since 1932 when Toronto will raise sufficient taxes to meet all current estimated expenditures properly chargeable to the year, according to the Bureau of Municipal Research in its latest review of Toronto's financial position.

• • •

Windsor, Ont.—With one installment still to come on Dec. 1 the city has collected 77.3% of its 1937 tax roll. If receipts of tax arrears are included, collections so far in 1937 are almost equal to the year's roll. Arrears have been reduced by more than $900,000.

• • •

Regina, Sask.—From 1930 to 1936 direct relief in Regina has cost $6.5 millions of which the city's share has been $2.6 millions. Of the city's share, $1.3 million has been paid out of current revenue and $1.2 million has been capitalized.

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Joliette, Que.—Tenders covering a proposed bond issue have been withdrawn due to technical difficulties. It is understood this will entail only a temporary postponement.

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London, Ont.—Tax collections on this year's roll to Oct. 30 were $2,776,699, or 80.7%, which is the highest since 1932. It is also stated 91.3% of the 1936 roll had been collected as at Oct. 30, 1937.

The city plans to retire approximately $1.4 million of debentures by the end of 1942. A large part of this amount will come from the sinking fund, which contains over $2 millions. Total debt is about $11 millions.

• • •

Riviere-du-Moulin (Chicoutimi), Que.—Payments has been authorized by the Quebec Municipal Commission of coupons of Nov. 1, 1937, and interest from May 1 to Nov. 1, 1937, on bonds matured May 1, 1934, 1935, 1936 and 1937.

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Peterborough, Ont.—City council expects to show a surplus this year. The board of works has a prospective deficit of $7,500, but this is more than offset by estimated surplus of $13,000 in the relief committee accounts.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	▲6%	1942	Dec. 31	105
Porto Rico Tel. ..	†6%	1944	Dec. 1	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105

For sinking fund purposes: †$5,200. ‡$154,400. ▲$59,000.

Bond Tenders

12 noon, Nov. 12, Canada Treasury Bills—$25,000,000, dated Nov. 15, 1937, due Feb. 15, 1938. Bank of Canada, Ottawa.

Soo Line Advances To Be Cut Next Year

Will Seek Reorganization Under Federal Bankruptcy Act

From Our Own Correspondent

MONTREAL.—First steps toward financial reorganization of the Minneapolis, St. Paul and Sault Ste. Marie Railway, controlled by the Canadian Pacific Railway, will probably be undertaken some time in 1938, The Financial Post is informed.

Following maturity of $71 millions of the company's first consolidated mortgage bonds on July 1, 1938, which the company is not expected to be in a position to pay, application for reorganization will be made under section 77 of the U. S. Federal Bankruptcy Act.

On July 1 next the Canadian Pacific expects to be relieved of considerable liability in connection with its guarantee of interest on two issues. Soo Line bonds on which interest is guaranteed by the C.P.R. total $93 millions and of this amount $64.9 millions matures on July 1 next. Guarantees of interest amount to $4,174,650 a year, but of this amount $2,681,320 expires next year.

Claim Guarantee Continues

While the C.P.R. states definitely that the guarantee expires on July 1 next, certain U.S. insurance companies, which hold large amounts of the bonds, claim that the guarantee does not expire until the bonds have been paid off. In this connection, The Financial Post understands that the guarantee is rather loosely worded, but it is difficult to understand how the guarantee can apply beyond maturity of the bonds if such provision is not specifically stated

Expiration of the guarantee will benefit the C.P.R. materially since it will reduce the drain on the C.P.R. treasury. Advances made for this purpose during the past five years have totalled more than $20 millions.

Operations Better

In 1936, advances to enable the Soo Line to meet its interest obligations totalled $3.6 millions, but indications are that the sum will be slightly smaller in 1937. For the first nine months of this year the net deficit of the Soo Line totalled $3,992,632, which is $364,536 lower than in the same period of 1936. In the month of September operating revenues showed an increase of $646,000 and it is expected that continued improvement will be recorded during the last quarter of the year since crops in the territory served by the company have been better. However, the improvement in gross revenues will probably be offset to a large extent by the recent wage increases granted to railway employees.

C.P.R. Has Large Stake

In any reorganization proposal the C.P.R. will be vitally interested since, in addition to $20 millions of advances, it owns $3.9 millions of Soo Line first mortgage bonds, $7 millions of its preferred stock and $12.8 millions of its common stock. In view of the trend in earnings in recent years it is doubtful whether the preferred and common can hope for much consideration in any reorganization. However, the C.P.R carries this investment in its balance sheet at less than its book value and in addition has set up an investment reserve of $19 millions.

The C.P.R.'s main hope to salvage something of its investment is its advances for bond interest which total more than $20 millions.

EXECUTIVE ASSISTANT

Charles S. Pope, Minneapolis, who has been appointed to the newly created office of executive assistant by Minneapolis, St. Paul & Sault Ste. Marie Railway, a company controlled by C. P. R.

Laura Secord Bonus Is Seen

Surplus Earnings from Now on May be Paid to Shareholders

In an otherwise routine annual meeting on Nov. 8, Hon. F. P. O'Connor, president, suggested that, providing earnings were maintained at the present rate, the company could consider the payment of an extra dividend or a bonus to shareholders but not until the current fiscal year has given evidence of the earnings trend.

Mr. O'Connor mentioned that, while the company's cash position was good, it was not so good that the directors would declare an extra dividend at this time. From now on, however, the company would be in a position to disburse surplus earnings to shareholders. No action is expected until the final quarter of the fiscal year which ends Sept. 30, 1938.

The company reported net working capital of $1.9 million at Sept. 30, 1937, including bond investments having a market value of $1.8 million. The company earned $3.71 a share in the last fiscal year and has paid $3 a share for some years.

Barker's Bread Ltd. Redeems More Preferred

An additional 120 shares of the preferred stock of Barker's Bread, Ltd., have been redeemed, according to information supplied to the Toronto Stock Exchange. This will leave 8,380 shares of the company's $50 par value preferred outstanding of an authorized issue of 16,000 shares. The stock is redeemable on any dividend date on not less than two months notice at $55 a share, or by purchase in the open market at not more than the call price.

Canada Power & Paper To Surrender Charter

From Our Own Correspondent

MONTREAL.—Canada Power and Paper Corp., and its subsidiaries, which were taken over by Consolidated Paper Corp., have applied for leave to surrender their charters under the Quebec Companies Act. The companies involved, besides Canada Power and Paper, include Belgo Canadian Paper, Port Alfred Pulp and Paper, St. Maurice Valley Corp., and Anticosti Corp.

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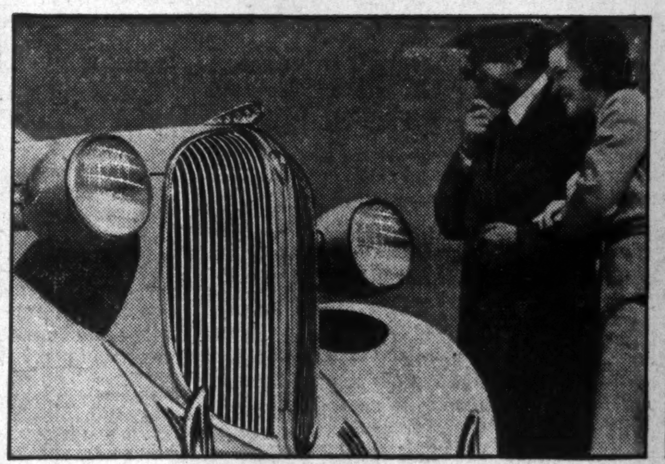
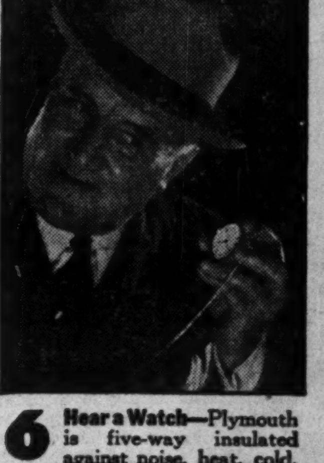
A WELL ORGANIZED AND A WELL financed Corporation with Headquarters and warehouse in Calgary, Alberta, will be interested in corresponding with those interested in making a brokerage arrangement for Alberta and British Columbia. Reply Advertiser, P. O. Box 441, Calgary, Alberta.

Many New Features in The New 1938 Plymouth
HERE ARE A FEW—NEW RICHNESS OUTSIDE AND INSIDE . . . NEW COMFORTS AND DRIVING EASE . . . MORE VISION . . . AMAZING VALUE!

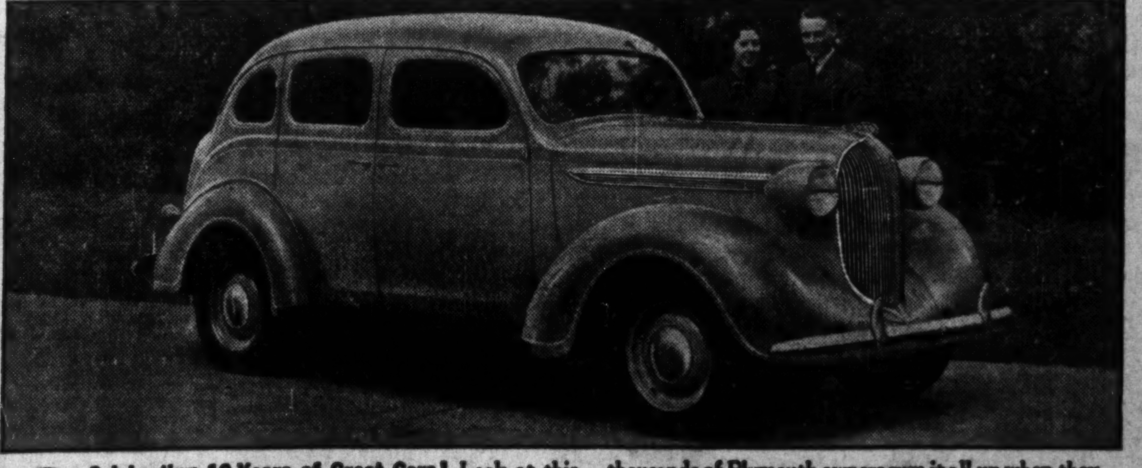
CLIMAXING 10 YEARS OF GREAT CARS
It's on display right now . . . the brilliant, new 1938 Plymouth. It celebrates the most outstanding record in automotive history.
10 years ago Plymouth was introduced. People found it had more beauty, safety, economy. They bought by the thousands.
No car has ever made friends so fast!
The 10th-year Plymouth is here . . . the greatest car we've built. Be sure to see it!



COSTS AMAZINGLY LITTLE TO OWN. Plymouth is priced with the lowest! And the Commercial Credit Corporation offers very convenient payment terms through Chrysler-Plymouth dealers. Tune in Major Bowes' Original Amateur Hour . . . Columbia Network, Thursdays, 9 to 10 P.M., E.S.T.
1 Step Up Close and Look at this beautiful, new 1938 Plymouth! The radiator is new in contour . . . look at that long hood—it's wider, more massive looking! Fenders are deeper.
2 Now Step In and See How Easy it is to adjust the front seat. It rises as it moves forward—for easier vision.



3 This is News, too! Instruments are easier to read...and the handbrake is located under the panel.
4 Try the Back Seat—it's "chair-height"... comfortable... richly upholstered.
5 Stretch Out! Enjoy the greater elbow room, head room and leg room. The whole car "floats" on Amola steel springs, with airplane-type shock absorbers. Live rubber body mountings block out road vibration.
6 Hear a Watch—Plymouth is five-way insulated against noise, heat, cold.



7 Say—These Engineers Have Thought of Everything! Besides having 22% more room, this baggage compartment is fabric-lined to protect your luggage.
8 Celebrating 10 Years of Great Cars! Look at this big, beautiful new Plymouth. Get in one and drive. Find out how it rides. Check what it offers you. Today, thousands of Plymouth owners sum it all up when they say, "Plymouth is built to last and costs less to run." Go to any Chrysler-Plymouth dealer—today.
See the 1938 Plymouth
GET YOUR LOCAL DELIVERED PRICE

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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TORONTO, NOVEMBER 13, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Capital Crossroads

A POTENT reason for the market slump and the current business recession is the sudden drying up of durable goods purchasing power. Only a few weeks ago steel plants in the United States were operating on a near-boom basis. Today they are laying off thousands of men and their operating ratio has shrunk to almost 40 per cent of capacity. Why?

One reason not generally realized is that Government "pump priming" in the United States has virtually disappeared. Government agencies are still spending a lot of money but their "net" contribution to purchasing power, over and above what they received in taxes, etc., has almost reached the vanishing point. Business is having to stand on its own feet.

Striking figures to illustrate this were published the other day by United States News. According to this source, the average net monthly contribution of the Federal Government to United States purchasing power (apart from the soldiers' bonus) exceeded $250 millions through every month of 1934, 1935 and 1936. In midsummer, 1936, the soldiers' bonus boosted this to a high point of nearly $550 millions per month. Since that time there has been a drastic decline to a current low point of about $50 millions monthly. Looked at another way, Washington's net contribution in 1936 was over $4 billions (almost equivalent to the national income of Canada in a normal year). The net disbursement in 1937 will be less than $1 billion.

These figures are arrived at by subtracting from total Federal outlay the money which rolls back into the treasury through taxes, etc. The money flow from Government coffers continues large but the inflow from income, payroll, amusement and other taxes has now about balanced disbursements. This explains the almost complete disappearance of "pump-priming" during 1937. It indicates the United States Government has gone farther than is generally realized, toward a balanced budget.

With this stoppage has come a reversal in the upward trend of business.

The theory was, of course, that business would borrow and spend to carry on where the Government left off. But new and unexpected factors entered the picture. Building costs went up. Prices increased so that dollars did not go so far. Taxes and New Deal uncertainties upset business plans. Labor costs soared. Major spending groups such as the railroads and public utilities failed to regain the confidence of capital investors.

Figures of new capital investment show this clearly. In four years prior to 1929, corporations went into the markets for about $3 billions of new capital annually. In 1935 the figure was $348 millions; in 1936, $950 millions. In September of this year it was down to $70 millions, reflecting the loss of confidence. As the Washington Sphere puts it, investors all over the country have concluded it is better to go on strike—to "sit down"—than to stand up and be shot at—by their Government.

This is the major dilemma now facing business and political leaders in the United States. The Sphere puts it bluntly when it says:

> "Unless some sanity is introduced into national policy, the country may be headed toward a depression which will make that of 1932 look like a period of jubilee."

The much-vaunted plans of the New Deal architects look pretty silly in the face of this collapse in their jerry-built structure. And the answer still lies at Washington, indeed, in the White House itself. Tangible evidence that President Roosevelt is prepared to treat business and finance as partners rather than outlaws in the economic sphere would quickly restore confidence. On this rests largely the answer as to whether the current recession is of major or minor proportions; whether it is prolonged or short-lived.

Municipal Relief Plans

VANCOUVER has been experimenting with a wages relief scheme. Introduced over two months ago, it is reported to have been very satisfactory and will be continued indefinitely.

Under the plan, men on relief are given a certain number of days work each month at current wages. Those who will not work under this arrangement are supposed to be dropped from the relief rolls.

In two months over 800 have been cut off relief for this reason, according to the Vancouver Province, and over 3,000 relief recipients have been called on to work for pay. Benefits of the plan include the achievement of constructive municipal improvements in park areas, playgrounds, waterfront and forestry development. Eighty per cent of the cost, plus certain administrative charges, is met by the province.

Municipal wage relief schemes are no new thing in Canada. They sprang up in profusion in 1930. Most of them petered out for various reasons.

For one thing the sort of projects attempted were of a kind where only a small number of men could be absorbed. The total cost to taxpayers was as high, if not higher, than for direct relief, and municipalities were, in many cases, saddled with heavy recurring maintenance charges they could ill afford to bear. Where the plan is still continued it is largely in smaller communities where there is a more intimate contact between relief administration and the unemployed.

Now that relief rolls have been reduced very sharply from depression peaks it may be that the experience of Vancouver could be repeated in other cities. The relief problem for most communities is more compact and better controlled than was the case six years ago. The test lies in the ability of the community to find useful constructive work that can be done at reasonable cost and of a type that will absorb those on relief rolls. The net effect on the tax rate is equally vital. Many municipalities could make use of a good deal of day labor to make their community more attractive for tourists and citizens generally. Many European cities have much to teach us in this respect.

The main objective of a municipal relief programme at the present time should be the rehabilitation of the men who fill community relief lists. It is not enough to employ these men to work at community work (though this is infinitely preferable to having them idle); most of these men by reason of long unemployment, lack of skill, or lack of opportunity in the trade they formerly followed, are unfitted for steady employment.

To achieve this ideal of rebuilding our unemployed men, the co-operation of federal and provincial authorities and also of employers and the community generally is necessary. But there is not a civic body in Canada that could not give specific leadership in tackling this task.

The Rout of C.I.O.

CANADIANS watched with enthusiasm the rout of C.I.O. forces in the municipal elections at Detroit and Buffalo last week.

At Detroit, the rank and file of citizens turned out in unprecedented numbers to overthrow every one of the five C.I.O. candidates for municipal office. The total vote was almost twice anything ever seen in a municipal contest. It was a straight knockout blow to Lewis henchmen who tried openly to perpetuate in public office the reign of racketeering autocracy which gripped the motor city early this year.

At Buffalo the anti-Lewis victory was equally convincing. It was of special interest to Canada because the C.I.O. campaign there was directed by Hugh Thompson, notorious for the rôle he played in the General Motors strike at Oshawa. Thompson has had his headquarters at Buffalo since Premier Hepburn made things too hot for him in Ontario last spring. He is regional organizer for C.I.O. in the Buffalo area of New York State. His "district" also includes Ontario. Tom Holling, the new Buffalo mayor, is Canadian-born. He started work as a printer's devil in Wyoming, 40 miles from London, Ont., at age 13.

If current peace negotiations between C.I.O. and A.F. of L. are successful, the political fortunes of labor leaders may again be in the ascendancy. Meanwhile, citizens in eastern United States have said in the most potent way known to democracy, that they will have no C.I.O. dictatorship machinery controlling their civic administrations.

Wheat's Future

IN THE short space of two years Canada's wheat picture has completely changed. A huge and menacing surplus has been completely liquidated and prices now ruling are nearly a dollar a bushel above the levels of 1935. Our current crop is only half of normal, which with the liquidation of carry-over means slim business for elevator companies and very serious competition for export flour millers.

In view of this complete change it is to be hoped that the Turgeon Commission in its coming report will not confine itself to allocating the blame for certain deals of the McFarland or Murray Wheat Boards, but will suggest broad marketing principles that may be incorporated in a permanent wheat policy for Canada.

After all, the exact amount of wheat this country sold in the early weeks of 1935 is now only a matter of interesting history, but how much we are to export in the years to come is infinitely more important.

Present wheat growing and marketing machinery of this country is geared to an annual production of at least 350 million bushels. Not in the last five years have we had a crop even approaching that average. As a result, overhead has eaten up profits and a very large section of this country is without spending power. Unless we are prepared to scrap much of our present machinery and with it millions of acres of wheat land, we must develop a policy which will give reasonable assurance of successfully handling a great deal more wheat than we have handled in the last few years. It may be necessary on some occasions to unload surpluses at less than cost of production but this cannot be continued indefinitely and without real purpose. As a means of holding profitable markets, or opening new ones, during periods of temporarily heavy production such a step is justified. Had this policy been followed for a year or two after 1930, Canadian wheat prices would have risen from depression depths very much sooner and new permanent outlets would have been gained during the bargain era.

At the present time, the world is short of wheat and the market very definitely on the side of the seller. With present record world acreage, however, favorable weather might easily result in a sudden transformation of the whole picture. There is sufficient land already sown or being prepared for wheat to result in a relatively large surplus by next fall. To cope with such a situation the farmer who desires to remain in the wheat business permanently — and many of our western growers have no other alternative—must get his costs down to the rock bottom. This applies to growing as well as selling. The permanent wheat grower, too, must maintain his quality at the top and above all he must have open to him by every reasonable means a wide range of world markets.

In normal years Canada should have an exportable surplus of at least 250 million bushels. It is too much to expect that all of this can be sold in Great Britain. We need, and need seriously, other big outlets in Continental Europe and the Orient and the big job of the Turgeon probe is to give statesmanlike leadership along lines which are both constructive and profitable to everyone concerned with the business of wheat growing and marketing.

Editorials in Brief

Man of the Week for most businessmen is probably Prime Minister Mackenzie King. He spiked rumors of an early federal election and thus relieved business fears until "almost the eve of 1941."

• • •

Ex-Premier Taschereau is being mentioned as a possible member of the Rowell Commission if Mr. Justice Rinfret is forced to resign on account of ill-health.

Such an appointment would play directly into the hands of those who like Hon. R. B. Bennett are trying to torpedo the Commission because of the supposedly partisan leanings of its personnel.

• • •

"Hull Makes Peace Move." So read a headline in the Toronto Globe and Mail the other day.

Being especially worried about the world situation that morning and having a great admiration for the ability and genius of the white-haired U. S. Secretary of State we started to read the item with keen interest.

We were soon disillusioned.

In the first place, "Hull," we found, referred not to the Hon. Cordell but to that famous community which nestles across the provincial border from Ottawa. "Peace Move" referred not to the plans of a world statesman but to a letter sent by Mayor Mousseite to his confrere Mayor Lewis of Ottawa.

And the subject matter?

That, really, was the most unkind cut of all. Instead of world amity it was merely a dispute over some new sewer pipe contracts which, it was insisted, must be filled only by Quebec manufacturers, thus eliminating Ottawa's sewer-and-pipe men from the charmed circle.

Doubtless we should offer our congratulations to Hull (city) for having restored the Ottawa-Hull bonne entente again. We hope Hull (Cordell) has equal success if, as and when he does make a "peace move."

Sayings of the Week

"Christianity is no longer the dominant force in Europe."—*Rev. Walter T. Brown, principal, Victoria College, Toronto.*

• • •

"Non-intervention is the greatest, basest fraud and deception ever perpetrated by great nations on a weak people."—*David Lloyd George.*

• • •

"The American Federation of Labor will have nothing to do with communism, communistic teachings or communist philosophy."—*William Green.*

• • •

"While many countries still retain workers to the age of 60, or even 70, the general hiring policy is to fix an entrance limit age at 45 and in some cases even 35 and 40."—*Frances Perkins.*

• • •

"It is better to be late for dinner in this world than early for breakfast in the next."—*Lt.-Governor Herbert Bruce at opening of National Motor Show, Toronto.*

• • •

"In Great Britain, business is very good not only in our line but in nearly all others. I have visited many factories and all were very busy."—*T. A. Russell, president, Massey-Harris Company.*

• • •

"The automobile industry is sufficiently rich, sufficiently productive and sufficiently profitable to pay to every worker in every factory in this nation a living annual wage of not less than $2,500."—*Homer Martin, president, U. A. W. A.*

• • •

"There is little reason as yet to take for granted that the recent collapse in prices portends the economic disaster that the price recession in 1929 did." — *Charles R. Gay, president, New York Stock Exchange.*

• • •

"We do not admit the right of any government to call on us for a contribution when there is no evidence to show that that government is prepared to make any contribution of its own account." — *Anthony Eden on restoration of Germany's African Colonies.*

• • •

"I am appealing for freedom of thought and speech; but within the limits of accurate knowledge, sound logic, a sense of responsibility, and the ordinary amenities of public life in a civilized community."—*Sir Edward Beatty at Queen's University Convocation.*

• • •

"People seem to forget the very weakness of democracy lies in its slowness of system. The free will of the nation can only be discovered by slow measure and perhaps after much doddering of the nation's representatives. In the end it is the only sure way of doing the right thing."—*George A. McLean, M.P. for Orillia.*

—Cartoon by Grassick.

COXSWAIN CANUCK: "If only they'd let me time their strokes."

Post-Scripts • • • •

"Liberal Dictator"

John M. Godfrey, K.C., Ontario's Securities Commissioner, has the job of protecting investors from financial birds of prey. To enable him to carry out his duties, he has been vested with wider powers than have ever been granted to any public official in Ontario, possibly in all Canada. He is a combination of administrator, prosecutor, legislator and judge, with a little of the policeman and the bill-collector thrown in.

JOHN GODFREY

Some people think that such a combination of powers makes Mr. Godfrey too powerful and they want him stripped of a part of his authority. Mr. Godfrey knows this. He went down to French Lick the other day and gave an address on "administrative law" at the annual convention of the National Association of Securities Commissioners. He admitted that his large powers were capable of being used for improper purposes. Properly administered, he thought they could be of great public benefit.

• • •

What Follows John?

Mr. Godfrey recalled that he had been described as a sort of combination of Mussolini, Hitler and Stalin with every power except the firing squad. The mildest epithet that had been applied to him was an "Old Liberal Dictator."

That suggests what his friends say about the John Godfrey and his dictatorial powers. They have plenty of faith in John Godfrey and don't care how great are the powers extended to him. They feel certain he will not often use them arbitrarily, except in the public interest. But "after John Godfrey, what?" is the uncomfortable question they pose themselves. It's the old, old story, often told throughout history. A benevolent dictator provides the best kind of government but benevolent dictators cannot perpetuate themselves.

In his French Lick address Mr. Godfrey illustrated the unlimited powers of the British Parliament by quoting 22 Henry VIII, Chap. IX, an act which provided for boiling the Bishop of Rochester's cook to death. The act read:

> "It is ordained and enacted by authority of this present Parliament that the said Richard Rose shall be boiled to death without benefit of clergy."

• • •

Dr Hogg

Many people are wondering how T. H. Hogg, newly-appointed chairman of the Ontario Hydro-Electric Commission came to be a "Doctor." The answer is a very simple one. In 1927 his Alma Mater, the University of Toronto conferred on him the honorary degree of Doctor of Engineering in recognition of his outstanding work in the field of hydraulic engineering.

Thomas Hogg (it is pronounced Hoag, by the way) was born at Chippawa, Ont., about 53 years ago. At 23 he graduated as Bachelor of Science from U. of T. and two years later joined the old Ontario Power Co. at Niagara. (One of his classmates at Varsity was Fred Gaby another chairman of the H.E.P.C.).

Thus from infancy he has been cradled and nourished in the birthplace of hydraulic power in Ontario. For a year he was managing editor of Canadian Engineer; in 1913 he joined Hydro as assistant hydraulic engineer. Subsequently he became chief engineer to the Commission. Apart from major consultant jobs in various parts of Canada (including a commission as consultant to the Beauharnois Power Co.) this has been his life job.

• • •

St. Lawrence Booster

One other interest is important. For many years he has acted for Ontario on the Canadian section of the Joint Board of Engineers on the St. Lawrence Waterways project. Questioned last week as to his views on the St. Lawrence development, Dr. Hogg said:

> "Development of the St. Lawrence will surely come — and the asset will be a marvellous one. The great necessity is that we must progress slowly but surely — just as the St. Lawrence does itself. In a mighty enterprise of this kind the matter of five or 10 years is neither here nor there."

Dr. Hogg sees the St. Lawrence not as a waterway scheme but as a great power development which will eventually be one of the greatest industrial assets of the province.

• • •

Jim Armstrong

He looks like a Guardsman on holiday. Pink skin, soft shirts, towering stature, lithe efficiency behind a nonchalant easy grace. There's usually a flower in his buttonhole.

His name is "Jim" (J. S. P.) Armstrong, Toronto agency manager, Dominion of Canada General Insurance Co. and president of the Life Underwriter's Association, Toronto.

When he went to University of Toronto Schools (It isn't long ago. He's only 37) Armstrong was a particularly striking figure. He had a patch of white in his hair. "Just as if somebody had hurled a blackboard brush at his head" a classmate recalls. His father was federal member of Parliament and a manufacturer. Jim isn't much interested in either.

Making things grow is his only interest in life. He gardens. He has planted 25,000 trees at his Port Huron summer home. He runs a farm on Toronto outskirts. Making men grow is his aim in being one of the leaders in insurance education. He was educational secretary of the Insurance Institute. He is one of the four who are now drafting a national syllabus for all fire and casualty training courses for the proposed Federation of Insurance Institutes.

Recently he was the moving spirit behind the all-day educational conference in Toronto which brought some 1,200 insurance agents from all over the province to hear insurance leaders from U. S. and Canada give them new answers for old situations, give new vision of opportunities and responsibilities.

What's a fire and casualty man doing in the life insurance educational field? "It's all for the good of the business, isn't it?" he retorts.

The rest of his time he reads insurance, trains 48th Highlanders how to use weapons, and runs oil producing properties in Petrolia.

The Open Mind

Dr. R. A. MacKay, who represents the Maritimes on the Rowell Commission which opens public sessions shortly, should bring to his new job an open mind.

At least his early record indicates a willingness to change his opinion if he is convinced that his first judgment was wrong.

R. A. MACKAY

Following post-graduate work at Princeton for his doctor's degree he decided to base his thesis on the reformation of the Canadian Senate. Of an old Ontario Liberal family, his early idea of reform was closely linked with complete abolishment. But MacKay came up to Ottawa and studied the records of what is sometimes described as Canada's best club.

So thoroughly convinced did he become of the valuable and mature work of the older statesmen, particularly in regard to modifying ill-advised legislation from the Commons, that his book finally appeared as "The Unreformed Senate of Canada." He concluded that with some changes whereby the Senate would be made a little more responsible to the people, that this upper chamber was too valuable a body to be scrapped.

• • •

Anti-Britisher

Death recently of George Horace Lorimer, for 37 years editor of the Saturday Evening Post, removes a man who through his dominating position in the U. S. wielded an unfortunate anti-British influence in that country.

The story is told that Mr. Lorimer's antipathy to the Empire was greatly roused at the outbreak of the Great War when he was rebuffed in some information he attempted to get from Lord Kitchener. Mr. Lorimer felt he had not been treated with the attention he deserved and there followed a series of violent anti-British articles in his magazine. At one time he even threatened to withdraw the Post from circulation in Canada.

Later he ran a lurid article on "Who Won the War?" The answer, of course (according to Mr. Lorimer), was the United States, and the story made much capital of the mistakes made by Britain in the great conflict. This story, incidentally, was written by a Canadian and it was in measure responsible for the brilliant series of war stories written later for Maclean's Magazine by Col. George Drew.

These articles revealed the inaccuracies of the type of article that had appeared in Saturday Evening Post and brought wide applause from thoughtful Americans. They established Col. Drew as an Empire and international figure in the field of journalism.

Mr. Lorimer's employer, Cyrus H. K. Curtis, was much more friendly to Canada than his chief editor. It was Mr. Curtis who came to Canada for one of his outstanding lieutenants, T. Bert Costain, a former editor of Maclean's Magazine and for years associate editor of Saturday Evening Post. Mr. Costain is now editing his own publication, American Cavalcade.

Business Is Shell Shocked . .

Washington Sphere

Capital is on a strike. It is not an organized movement, but investors all over the country, each using his own intelligence, have come to the conclusion it is better to "sit down" than to stand up and be shot at—by their government.

In the four years before 1929, corporations went into the markets for about $3 billions of new capital annually. In 1935, the amount of new capital borrowed by corporations was $348 millions and this jumped to $950 millions in 1936. In September of this year it was down to $70 millions, reflecting the loss of confidence.

The undistributed profits tax provides no exemptions for investment of earnings in expansion or modernization of plant. This is almost as complete a prohibition of expansion industrially as the control (cotton) the Government would like to set up agriculturally.

No exemption is provided, either, for earnings used to liquidate old debts. Thus, there can be no averaging of earnings. The capitalistic machinery cannot function in such circumstances.

The enormous expenditures of the Government can be balanced by revenue only if business is healthy and progressive. If business recedes, revenue declines. Worse still, the cost of financing unemployment mounts.

Unless some sanity is introduced into national policy, the country may be headed toward a depression which will make that of 1932 look like a period of jubilee.

Stop Me If You've Heard This One . .

Lawyers will appreciate the story told this week by Hon. Gordon Conant, K.C., Ontario's new Attorney-General, at a Toronto Canadian Club luncheon.

It concerns a Justice of the Peace in the Southern States who had recently been elected to office. In his inaugural speech the new J.P. made this solemn promise to his constituents: "I will always tamper with both justice and mercy in any cases brought before me."

Mr. Conant warned his listeners the story had no political significance as far as he was concerned.

As Others See Us . . . .

The Real Job
Halifax Herald

Recently, it will be recalled, a reporter spent some time "chasing all over London" looking for the original of the British North America Act. He also had difficulty in finding a "purchasable copy."

The original was found reposing where it should be reposing—in safe keeping at Westminster.

As for purchasable copies, there are plenty of them in Canada. They may be had from the King's Printer at Ottawa for 50 cents apiece.

But the real point is this, as suggested editorially by The Financial Post:

> "A more important job in relation to the B. N. A. Act is 'how to change it when it is found.'"

About the existence of the original, and an ample supply of copies, there is no question at all. The real job, from the standpoint of the Canadian people, is the job of amending the Constitution to meet the demands and conditions of these changed times.

In the Mail . .

Japanese Boycott

Editor, The Financial Post:

The boycott of Japanese goods is currently contemplated or actually put in force by several Canadian organizations, in protest against Japan's course followed in China. Disregarding the motivating circumstances, figures pertaining to Canada's trade with Japan and China are interesting and illuminating.

In 1936, Canada's exports to Japan totalled $18,674,000, and Canada's imports from Japan $3,529,000, or the favorable trade balance for Canada of $15,145,000—a ratio of trade of slightly more than 5 to 1. In the year ending August, 1937, Canadian exports to Japan were $23,807,000, compared to $5,550,000 bought from Japan. The ratio was 4 to 1, but the favorable balance for Canada rose to $18,257,000. In 1936 and 1937, Japan has been the fourth best customer of Canada, coming in each year after U. S. A., U. K. and Australia. On the other hand, Japan stood 18th in 1936, and 12th in 1937, in the tabulation of Canadian imports.

Canadian trade figures with China, are somewhat discouraging, despite China's supposedly great potential market, due to large area and huge population.

China, in 1936, was the 13th best customer of Canada, with $4,927,000 exported, or roughly one-fourth of the total exports to Japan. In the same year, Canada imported from China to the value of $3,976,000, or a favorable trade balance for Canada of $951,000, which was about one-sixteenth of that obtained from the Japanese trade. In that year also, China was actually ahead of Japan in point of Canada's imports standing, for she stood at the 16th, as against Japan's 18th. In 1937, Canada sold to China $5,204,000, or considerably less than one-fourth exported to Japan. This demoted China from the 13th to the 14th best customer of Canada. In the same year, Canada's imports from China being $4,418,000, or the 15th in Canada's imports standing, this gave this country a favorable balance of $786,000, or one-twenty third of that procured from the Japanese trade.

As is well known, Canada's exports to Japan comprise mostly primary products, such as timber, minerals, pulpwood, and wheat, etc. In the event Canadian-Japanese trade coming at a standstill, which the act of extended boycott will produce, all these materials could be found elsewhere, without reliance on Canadian products. Lead, for instance, can be got from Chile, Mexico, and Central America, timber from Manchukuo, pulpwood from Sakhalin, and wheat from the Argentine. The exception is nickel, but a large ore body of that metal has recently been found in Korea, and a refining process of nearly 100% purity has lately been perfected in Japan.

Assuming the Japanese exports to Canada are relatively insignificant, it is within the bounds of possibility that she may abandon the Canadian market altogether, in return for an embargo on the Canadian produce, should the commercial boycotts of the Japanese goods gather serious proportions.

H. K. AKAMATSU,

Ottawa,
Nov. 1, 1937.

Other People's Views . . . .

Japanese Boycott
Whaley-Eaton Service, Washington

Japan would be extremely vulnerable to a concerted attack on her trade. During the past two years, despite price-cutting and other expedients, she has been unable to pay for necessities and to reduce the constantly growing adverse balance of trade.

An effective boycott, however, would require a united front by the British Empire, the United States, France and the Netherlands. Approximately 30% of Japan's export and import trade is with the United States, while the four nations, combined, account for 75% of Japan's trade.

One non-political argument is that, while such a boycott would be costly to all the nations involved, it might, in the long run, prove to be a good policy if it succeeded in preserving the Chinese market from such complete Japanese domination as would shut out the western world. This argument has had little effect on the political elements in any of these countries and, excepting for some labor sections, there has been no mass approval of an official and governmental boycott, which means sanctions.

Canada and U. S. Prices
Hardware and Metal

Some merchants complain that the price level of many lines of merchandise in Canada is out of line with that in the U. S. and that this is restraining the development of business in this country. This opinion hardly coincides with the following statement made by the president of the Windsor, Ont., Chamber of Commerce in announcing the local Harvest Festival sale:

> "It has been shown that the great majority of articles can actually be bought cheaper in Windsor than in the big Detroit stores. That's why we are on sound ground when we urge citizens of the Windsor district to buy all they need right in Windsor's own stores."

This price advantage in Canada is a good argument to use in developing trade with U. S. tourists who are still visiting Canada in goodly numbers.

Hull Discontinues Relief
Edmonton Journal

The conviction that the time has come to emphasize "work" as the real cure for unemployment would appear to be spreading. The City of Hull is the latest to "abolish" relief. All direct, government-aided relief has been discontinued, the administrative commission has been disbanded and the relief office turned into an employment bureau. The intention of the municipal authorities is to give every man formerly on relief a job and to keep him at work.

Hull is able to do this because the Quebec Provincial Government is ready to make a substantial monthly contribution toward wages of those put to work. The city is to contribute the balance of the cost of the public works programme which has been drawn up. Road repairing was the first job to which men were put to work under the new scheme.

Hull's experience under the new system will deserve watching by other municipalities in Canada.

Week in Business

Still Oblivious Here Of American Recession

Most Observers Expecting No More Than Temporary Pause — Balanced U. S. Budget May Prove Serious Shock

Canadian business this week still proceeds largely oblivious of the clouds gathering south of the international border. Admittedly there has been some recession in retail buying here, though only when compared with the rapidly accelerating volume of late last year and for the first half of the current season. Most observers continue to predict better Christmas sales than in 1936, though there is beginning to appear a little more caution in such prognostications. But on the whole authorities maintain that this period represents a pause, not a full stop in the general movement of recovery. Here are two typical examples:

"There is as yet no evidence of a recession, though there has undoubtedly been a pause in the upward movement. Viewing the summer quarter as a whole, it appears safe to say that business was better than at any time since 1930.

Employment has been steadily increasing and the relief rolls have been further reduced. Production of almost everything except wheat was substantially larger this summer than last and carloadings, again excluding wheat, have recorded appreciable gains. Exports have continued to rise, albeit at a slower rate, and the tourist trade has been considerably greater than a year ago. With the exception of the Western drought areas, the picture is one of rising income spreading gradually throughout the economy."—*Monthly review of Bank of Nova Scotia.*

"In industry there has been more and steadier employment for the majority of workers. Their earning power has been increased. More money is in circulation and people in all walks of life are beginning to spend more freely as their economic outlook brightens. All of these factors point to a reasonable expectation of good business in 1938."—*Wallace R. Campbell, president, Ford Motor Company of Canada.*

• • • •

American business appears to have reconciled itself to some definite recession and because Canada is tied so closely with United States through trade, branch factories and standards of living any decline across the line is certain to have an echo here. Full results of this recession, however, are not expected to be felt until probably after Christmas in retail circles, though undoubtedly current American sales are not maintaining the volume anticipated earlier. In certain lines of goods, notably staples, there is, it is true, a fairly normal flow, but not in luxuries, durable and capital expenditures. Sales of automobiles in United States admittedly have not started off quite as well as a year ago and at this time at least there is general agreement that last year's total production and distribution will not be equalled.

It is almost unanimously agreed that no immediate change in the present situation across the line may be expected until some definite lead comes from Washington. Roosevelt has intimated that he will balance the budget. Such a step without any qualifications would cut Government spending by over $3 billions a year and would be sufficient, as predicted two years ago by Lewis W. Douglas, new principal of McGill University, to produce sharp deflation. United States business wants the budget balanced but is afraid of the shock. The jolt may be cushioned by a big loan to the railroads for the purchase of new equipment and a new Government attitude toward other public utilities so that confidence and private borrowing power might be restored.

Business Indicators

Business index of Dominion Bureau of Statistics after almost continuous decline since September steadies around 105. Year ago it was almost 110 and pointing higher.

Railway statistics generally favorable and beginning again to recover from loss of normal wheat movement.

Motor car sales in September down slightly from year ago, but more important cumulative to date well ahead. Trucks up both for September and to date.

Domestic trade in September in retail, wholesale and country store 5 to 12% above same month a year ago.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Oct. 30)	▲59,689	59,955	2,188,594	2,024,656
C.N.R. gr. earn., wk. (Oct. 30)	$ ▲6,484,188	$ 6,377,850	$ 165,403,953	$ 159,978,321
C.P.R. gr. earn., wk. (Oct. 30)	$ ▲4,801,000	$ 4,654,000	$ 119,776,000	$ 114,190,000
C.P.R. net revenue (Sept.)	$ 3,141,712	$ 3,422,884	$ 13,073,491	$ 11,827,468
C.N.R. net revenue (Sept.)	$ 2,342,485	$ 2,962,637	$ 10,527,862	$ 6,205,461
Business Conditions—				
Weekly index, D.B.S. (Oct. 30)	▲105.7	109.4	......	......
Financial Post Index (Sept.)	123.8	115.1	......	......
Iron and Steel (September)—				
Pig iron production (tons)	77,180	51,892	655,438	465,785
Steel ingots and castings prod. (tons)	114,622	86,077	1,077,462	813,734
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Sept.)	▲3,920	4,008	96,266	76,294
Factory output (September)	1,926	2,481	117,816	100,088
Trucks and Buses:				
Domestic sales* (Sept.)	▲2,220	1,584	25,463	18,019
Factory output (September)	2,491	2,174	43,855	25,650
Exports (September)	4,002	3,514	55,418	43,777
Financing (September):				
Used	$ 2,624,418	$ 1,939,819	$ 28,801,607	$ 20,559,082
New	$ 2,436,600	$ 1,922,520	$ 33,620,370	$ 24,770,774
Construction—				
Cons. contracts (Oct.)	$ 20,169,900	$ 14,957,200	$ 198,576,800	$ 142,628,800
Production—				
Cement, bbls. (Aug.)	▲909,000	601,000	3,831,726	2,796,751
Clay (July)	$ 511,950	$ 406,304	$ 2,108,498	$ 1,777,378
Gypsum, tons (Aug.)	▲116,800	81,900	620,470	453,856
Agriculture—				
Flour prod., bbls. (Sept.)	▲1,437,586	1,516,123	9,627,293	10,706,828
Flour exp., bbls. (Sept.)	306,655	378,318	3,006,934	3,502,122
Wheat exp., bus (Sept.)	5,903,060	20,720,316	64,774,751	162,386,678
Cattle sales (Sept.)	136,319	100,156	726,632	621,536
Hog sales (Sept.)	74,147	85,109	744,988	681,373
Sea Fisheries—Sept.‡—				
Catch, cwts.	1,467,789	1,084,521	7,101,549	6,876,861
Landed value	$ 1,926,755	$ 1,469,193	$ 14,454,625	$ 13,386,073
Newsprint (tons)—				
Production (September)	312,351	269,782	2,728,367	2,303,725
Exports, tons (September)	308,654	278,368	2,528,527	2,130,287
Mining—				
Coal prod., tons (August)	1,222,976	1,056,032	9,359,159	9,008,929
Coal imports, tons (Sept.)	▲1,627,592	1,394,911	11,538,423	9,368,000
Gold prod., fine oz. (Aug.)	▲348,500	328,700	2,689,225	2,425,515
Nickel prod., lb. (Aug.)	20,662,233	12,379,095	147,840,919	107,927,120
Copper prod., lb. (Aug.)	44,583,629	35,438,299	329,899,425	269,634,996
Employment D.B.S. Index (Oct. 1)—				
All industries	125.7	110.1	......	......
Manufacturing	121.7	109.0	......	......
Electric Power Output (Sept.)—				
Total monthly m.kh.†	2,051,849	1,916,296	18,937,482	17,331,511
Trade (September)—				
Retail trade (index no. of sales)	▲81.0	75.6	......	......
Wholesale trade (Sept.)•	▲12.0	......	......	......
Dept. store sales (July)	▲74.8	71.0	......	......
C'try gen. store sales (Sept.)•	5.0	......	......	......
Imports (September)	$ 70,240,465	$ 52,982,972	$ 593,018,033	$ 450,866,372
Exports (September)	$ 95,216,148	$ 89,582,396	$ 824,504,609	$ 692,626,389
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (September)	223,507	160,586	1,427,399	1,206,971
Boot & shoe prod., pr. (Sept.)	▲2,256,289	2,106,801	19,116,522	16,818,358
Crude petrol., imp. gal. (Sept.)	133,314,465	134,048,064	978,557,025	879,146,893
Cotton imports, lb. (Aug.)	▲5,197,044	7,096,721	97,591,682	82,534,405
Raw rubber imp., lb. (Sept.)	5,367,536	5,361,220	50,810,537	43,134,281
Cigarette cons. (Sept.) No.†	627,062	516,172	5,001,210	4,062,565
Sugar (lb.)—				
Melting & sales§ (raw)	102,797,489	101,765,672	649,964,220	682,558,745
Manufactured§	107,859,853	101,692,741	634,134,794	661,109,373
Finance—				
Bank debits (September)†	$ 2,733,625	$ 3,133,565	$ 26,253,228	$ 25,893,228
Bond sales (October)	$ ▲30,606,900	$ 125,730,675	$ 966,049,614	$ 1,152,906,316
Life insurance (September)	$ 27,514,000	$ 26,090,000	$ 280,888,000	$ 262,300,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted §For 4 weeks to Oct. 9.
•Percentage increase over last year
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Public Utility and Industrial Investments

Available statistics show gratifying improvement in Canadian business conditions during the current year.

The senior securities of representative corporations which have benefited from this improvement offer, in many cases, attractive income returns.

We shall be glad to submit offerings and information upon request.

Royal Securities Corporation
Limited

244 St. James Street, Montreal — 330 Bay Street, Toronto 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St John's, Nfld., New York, London, Eng.

FORD BODY PLANT IN OPERATION

Largest unit in Ford of Canada's $8 millions 1938 expansion programme, the body plant at Walkerville, is now in operation. One thousand feet long and approximately 575 feet wide it is the largest factory built in Canada this year. Into it went over 5,000 tons of steel, 236,000 sq. feet of glass, a million feet of creosoted wood block flooring, 1.2 million square feet of spray painting, and almost three miles of overhead conveyor lines. Depressed railway sidings and special truck runways lead through the structure. Ford of Canada's president, Wallace R. Campbell inspects first 1938 model bodies moving along conveyors.

No Change Likely N. Z. Butter Duty

From Our Own Correspondent

OTTAWA.—Failure on the part of New Zealand to offer anticipated concessions in return has eliminated the likelihood of the early removal of exchange dump duty on New Zealand butter.

During negotiations last month which led to renewal of Canada's trade agreement with the sister dominion there was, as reported in The Financial Post, a strong probability of such a move. The New Zealand Government has protested this special duty for some time, and while there still remained dangerous opposition to its removal in Canadian dairy sections, it is believed that concessions from New Zealand might have changed the picture.

Foreign Business

United States Chamber of Commerce summarizes foreign business as follows:

Uruguay—Slowness in demand for wool, difficulty of obtaining controlled exchange for imports from United States, and sagging security prices were features of the economic situation in October, but the agricultural outlook is excellent.

Bolivia—Drop in tin prices of past few weeks has created uneasiness in business circles; import buying is slow.

Colombia—Favorable yields of minor crops, profitable operation of industry, and infusion of new capital into mining and petroleum projects have bolstered national economy during the lean coffee season.

Mexico—Further tightening of credit and loans has further reduced business movement, contrary to the usual trend at this season, collections slower.

Panama—Despite seasonal dullness, construction activities well maintained; merchandise stocks unusually large.

Jamaica—Buying power bolstered by better receipts from bananas and generally higher exports.

Netherlands—Actual conditions fairly healthy, but business sentiment pessimistic, owing to international conditions and weak commodities.

Italy—Industries active, but prospects are not encouraging; moderate exchange difficulties persist, but development less unfavorable than expected.

Yugoslavia—Foreign trade continuing favorable.

New Zealand—Although wool prices are not expected to reach last year's high levels, exports demand fairly strong and butter and cheese prices up.

China—Effect of hostilities is illustrated in a 39% decline in imports during September but, on the other hand, exports rose by 49% over August.

British Malaya—Trade at better levels than last year, despite noticeable recent temporary recessions.

Background of Business

Canadian Food in France

With the idea of increasing sales of Canadian food products in France, Colonel Hercule Barré, Canadian Commercial Attaché to France, had Canadian sandwiches served at the Paris Exposition. These were made from bread produced from Canadian flour, milled from Canadian wheat and filled with Canadian canned salmon. Horace T. Hunter, president of The MacLean Publishing Co., who visited the Exposition on his recent trip abroad, states that sales of these sandwiches on one day alone topped 3,500. They were sold for one franc apiece or approximately 3½ cents, and it is expected that such sale will result in a profit of from $5,000 to $10,000 on the entire transaction. Hence at no loss but a handsome profit to the Canadian Government two important food products have been introduced by Colonel Barré. Mr. Hunter comments:

"It strikes me that this is an ideal form of publicity. It creates the proper impression and it finances itself. Col. Barré did not use the highest grade of salmon because he figured the French people would not buy that grade. He wished to give them the grade they would actually purchase at the stores themselves. It is a real accomplishment for any company to spend $5,000 on publicity in the way of samples and get their money back with interest at 100 to 200% and have in addition the goodwill of the many thousand people who had an opportunity of tasting the product."

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Electrical Goods Sale

Not since 1929 have current sales of electrical goods been exceeded in United States. Purchases of motors, storage batteries, domestic appliances, industrial equipment and other electrical apparatus amounted to well over $270 millions during the first quarter of 1937. This actually exceeded the same period of 1929 but in the second quarter there was a falling off this year of approximately $11 millions whereas in 1929 the second quarter sales were better than the first. The third quarter sales in 1937 were down to $250 millions which again was well under the record of 1929 though some seasonal recession is normal. Much will depend on sales during the present quarter as to how this year will compare with the record. However, sufficient information has already been collected by the Department of Commerce at Washington to indicate a total not far short of 1929 is certain. Undoubtedly the record of United States will be closely paralleled in Canada allowing for the difference in population.

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Cars of the Future

Changes in motor cars will continue, according to Henry Ford, in a special interview in Barrons last week. Mr. Ford, whose factories have now turned out well over 25 million cars, predicts that the motor 30 years from now will be as different from the one of today as the latter is from the old pioneers of 1907. He predicts still further cutting down in weight, more steel castings, and wider use of plastics. Already the latter, highly polished, rugged, unbendable has replaced much steel for small doors on compartments, instrument boards and similar parts.

Plastic apparently is about to replace glass in windows and windshields though further development will be necessary to prevent scratching and allow for the complete elimination of the present protective covering of glass on the safety windshields of today. Mr. Ford said that he did not think that the Diesel engines of today will be the power plant of the automobile of the future. Moreover, he believes that the aviation industry will have to get a completely new power unit before mass production and anything like maximum development is possible.

Regarding the immediate future Mr. Ford sees no reason for automobile sales in the coming year falling below the very good record of 1937. He anticipates no real labor trouble for Ford, saying of the factory workers when questioned regarding possible extension of the C.I.O. in his direction "they will think things out."

• • •

Keep Cash Registers Ringing

A ringing cash register encourages cash sales and quick decisions, Arnold M. Dillon, president of A. M. Smith and Company, wholesale grocers, told a recent grocery convention in London, Ontario. The cash register, Mr. Dillon intimated, had a favorable psychological effect on merchandising.

The Big Parade

The whole story about the 1938 motor cars—the way the dealer and garage operator, the automotive manufacturer and jobber, want it, is in the November issue of

CANADIAN AUTOMOTIVE TRADE

Just released, this issue carries scores of photographs of these new cars, not only body views but "internal" shots, mechanical close-ups, designed to bring out the significant facts. Then, too, there is a complete major specifications table on the 1938 models.

This is only one feature in the big special "New Model" issue, which has the regular and feature contents of an entire issue in addition to the new car stories.

The November issue is the largest in the history of this publication. One advertiser alone has a 40-page announcement.

CANADIAN AUTOMOTIVE TRADE
481 University Ave., Toronto

"More Pay in the Payload"

Says one truck sales manager in describing his new models, and the value of truck changes to the customer could not be more succinctly stated. If you own trucks, or have goods to be transported, keep up to date on the changing truck picture by studying the descriptions and illustrations of new models in

BUS AND TRUCK TRANSPORT IN CANADA
481 University Ave., Toronto

The November issue, just out, contains many of these, as well as the unusual Truck Specification Chart, news about the Royal Commission on Highway Transportation now at work in Ontario, and many pages of other valuable material for owners and users of bus and truck transportation.

Fairchild Gets Plane Order

Operations This Year Have Failed to Show Improvement

From Our Own Correspondent

MONTREAL.—As was forecast by The Financial Post three months ago, Fairchild Aircraft Ltd. has been awarded a contract by the Dominion Government for construction of 18 twin-engined aircraft bombing machines. The contract, which has been awarded on "cost plus" basis, involves expenditure by the Government of approximately $1.5 millions.

The machines ordered are Bristol "Blenheim" Coastal Reconnaissance aircraft. Building of the machines will cover approximately three years and will employ between 300 and 400 men. The machines will be built at the Fairchild plant at Longueuil, P.Q.

Considerable preliminary work has already been done on the contract, according to H. M. Passmore, president. Now that final specifications and flight test results have arrived from England, construction will commence immediately.

The Blenheim, which will be convertible to land, ski or seaplane, is considered to be the fastest plane of its type. It is capable of a speed of 280 miles per hour at an altitude of 14,000 feet. It was chosen by the Department of National Defense after a survey of all reconnaissance types of aircraft being developed in Great Britain.

Receipt of the order will not be reflected in earnings of Fairchild Aircraft this year, but should result in improvement for the company during the next two or three years. The Financial Post is informed that operations in the current year have not been satisfactory and that earnings may be lower than last year when a net loss of $3,984 was shown after depreciation and development expenditures.

Bankruptcies

The Canada Gazette announces meeting of the creditors in the matter of:

Ram, B., Vancouver.
McPherson, J. R., Petitcodiac, N.B.
Gold, D., & S. Smith, Toronto.
McParland, G., North Bay.
Jamieson, D. F., Smiths Falls.
Monteith, J. E. H., London.
McAlpine, H. E., Stratford.
Dane, H. W., Owen Sound.
Livingstone, A. I., Montreal.
Maison Paton Ltd., Montreal.
Old King-Kola Ltd., Montreal.
Towers (The) Apartments Ltd., Montreal.
Poudrier, W., Victoriaville.
Pion, A., Montreal.
Picard, D., St. Marcel.
Clement, E., Montreal.
Lepailleur, R., Montreal.
Riendeau, R. G., Montreal.
Lindquist, R. E., Swift Current.

THE DAY when a refrigerator *in itself* was exciting has gone. The proof is the importance attached to minor "gadgets" in current electric refrigerator advertising.

But are women *interested* in gadgets? Perhaps momentarily. But in the long run it is *fundamentals* that make them buy. Why a refrigerator at all? What does a woman REALLY ask of one? The answer: to *keep foods fresh.*

Is there an *exclusive* engineering feature in the Hostess Electric Refrigerator which touches this need? Yes—it is "Controlled Humidity", by which a self-defrosting cycle retains the moisture content of the air in the cabinet correct for proper food preservation . . . and consequently *keeps foods fresher!*

It's a simple appeal. But it's *fundamental*, it meets a basic NEED!

The wide DEALER acceptance of campaigns based on this idea . . . the Hostess sales curve for 1937 . . . these give evidence of its soundness.

The advertising of the Hostess Corporation Limited in all its phases is directed by the

J. WALTER THOMPSON Company, Limited

Serving 38 of Canada's leading advertisers, directing campaigns for these among other products: CHASE & SANBORN COFFEE, POND'S CREAMS AND POWDER, BROMO-SELTZER, KRAFT CHEESE, WRIGLEY'S, ABSORBINE JR., LABATT'S ALES, CUTEX MANICURE SPECIALTIES, PYREX OVENWARE.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

Government Securities

We shall be pleased to quote prices for the purchase or sale of Dominion Government Bonds.

McLEOD, YOUNG, WEIR & CO.
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Metropolitan Building, Toronto
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WRIGHT HENDERSON & Co., Ltd.
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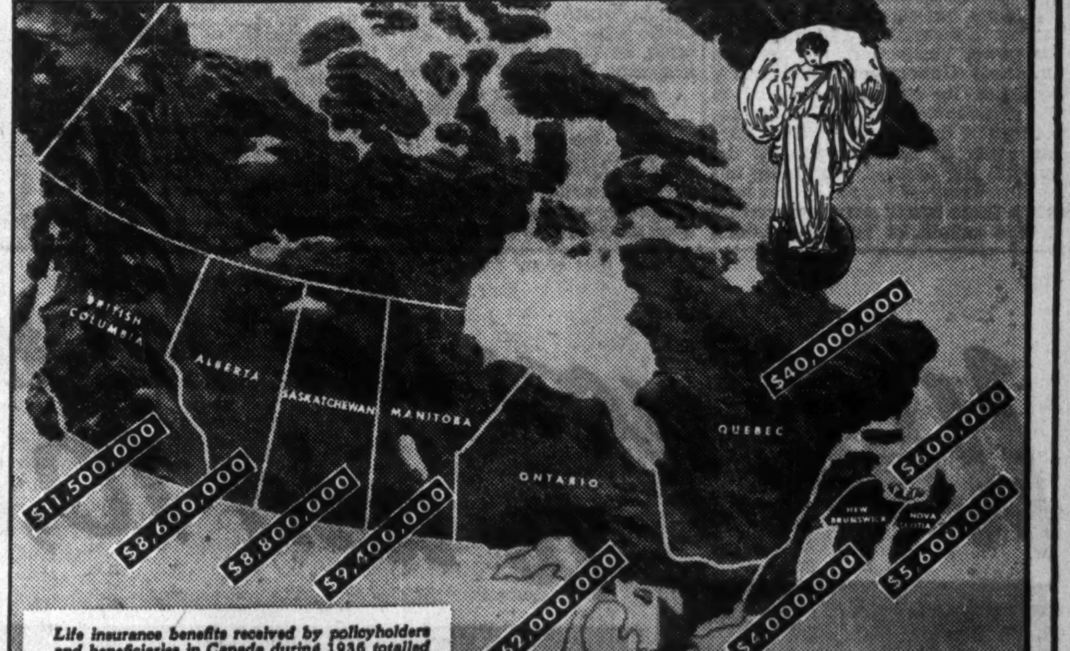
Telephone MA 6367
231 St. James St. W. Montreal

John Graham & Company
Investment Dealers
Ottawa



Life insurance benefits received by policyholders and beneficiaries in Canada during 1936 totalled over $154,000,000, of which 75% went to living policyholders. The figures quoted above are approximate.

"THRIFTY DOLLARS" BENEFIT ALL CANADA

To countless Canadian homes, money from Life Insurance means food, clothing, shelter and other necessities of life—for the widow and fatherless—and for men and women whose earning days are over.

Every section of the Dominion—farm, village, town and city—share in these Life Insurance payments. Likewise, every class of people benefit—particularly the families in humble homes.

Thrifty Life Insurance dollars help to make thousands independent of private charity or public relief—thus benefiting all Canada.

The above map indicates how these Life Insurance dollars were distributed to the people of the nine provinces in 1936.

L-137B

LIFE INSURANCE
GUARDIAN OF CANADIAN HOMES

Power Bonds Look Up

Returning Confidence Reflected in Maintenance of Market Value

By JOHN E. LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Revival of interest in the power utility securities as a media of investment is seen in the manner in which this type of security has held up through the recent market break.

With the decline in interest rates, investors turned to preferred stocks and then to common stocks. Consequently the bond market has been in the doldrums for a long time. The yields on prime issues of corporations have been such as to prove unattractive. The buying came mainly from investors who were looking for security.

Give Better Yield

The recent break in the stock market brought about a sharp deflation in capital values, until the yield on the better common stocks is now definitely attractive. At the same time bond values have not remained unaffected, with the result that the better class of bonds is again in a price range, giving the investor a more satisfactory yield.

In the accompanying list of Canadian power utility bonds, it will be seen that on current values the yield ranges from a low of 3.40% in the case of Montreal Power 3½'s of 1956 to over 9% on Winnipeg Electric B income bonds. The average is in the neighborhood of 5%, which is relatively high compared with Dominion, provincial or municipal bonds.

Ordinarily, power utility bonds sell at a high price, due to their excellent record. The comparatively high average yield of 5% reflects in part the uncertainty that has existed in the mind of the average investor regarding the utility company's vulnerability to discriminatory legislation.

Agitation Is Unsettling

In recent years there has been a very active drive in the United States for public ownership of power utilities. The privately owned companies in the States have been subjected to persistent and severe attack by governmental authorities. There has been a "slop-over" of this propaganda into Canada, which has had the tendency to unsettle the mind of the investor regarding the safety of Canadian utility bonds.

This unsettlement has been accentuated in some parts of the country by provincial or local demands for public ownership. Here the record of Ontario Hydro has been held up to show the benefits accruing from public ownership. This enterprise, however, has not come through the past few years with an unblemished record, so that investors are again taking confidence in the ability of the privately owned companies to put up a good case for their continued existence.

The agitation against the privately owned companies reached its greatest intensity in Quebec over a year ago. Certain amendments have been made by the Quebec Government having to do with the regulation of the power companies. Further, the Duplessis Government has clearly indicated its course in relation to the development of the power resources of the province. The clearing away of uncertainty over the outlook for Quebec companies has been in progress for some time and, while there is still some uncertainty in the minds of many investors, still the more general belief is that any provincial legislation will not be seriously detrimental to the welfare of the operators over the long term.

In other provinces the agitation for public ownership has been less pronounced. The public relations of some companies, in their own immediate territory, have not been all that might be desired, but otherwise the situation is favorable.

Setting New Records

Taken as an industry, the power companies have recorded a very marked expansion in their operations during the last three years. They have been able to report production of energy on a larger scale than ever before. Hardly a month goes by without an old record being broken.

The substantial growth in the use of electric boilers, using off-peak and low-cost power, has contributed largely to this excellent showing. On the other hand, the primary load for industrial, domestic and commercial purposes has been growing steadily and is now at a high level.

In considering the power output figures in relation to earnings, the investor must bear in mind the difference in earnings derived from primary and secondary load. In the case of the latter, the operators are securing a relatively small return per kilowatt hour. Nevertheless, it is power that would ordinarily go to waste and, as the cost of generation has already been covered by the primary load, the income from secondary power is very largely "velvet."

The manner in which the production of the central electric stations has grown in recent years is set out in the following tables, which show the annual returns for the Dominion as a whole and for the five economic areas during the first nine months of 1937 and 1936 respectively:

Central Station Output
(Thousands of Kilowatt Hours)

1932	15,862,987
1933	17,553,001
1934	21,159,530
1935	23,404,412
1936	25,493,474

Output by Economic Areas
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Maritimes	702,277	601,047
Quebec	10,567,626	9,434,047
Ontario	6,318,299	5,862,728
Prairies	1,472,913	1,374,697
B. C.	1,276,137	1,253,553
Total	20,337,203	18,526,072

Distribution of Energy

Of even more interest to the investor in power bonds is the manner in which this output is being used. This is shown in the next table, covering the returns for the first nine months of 1937 and 1936:

Distributors of Energy
9 Months Ended September

	Domestic	Electric Boilers	Exports
1937	13,496,969	5,440,493	1,309,722
1936	12,341,754	4,989,757	1,194,562

The following survey of the leading power companies in Canada has been divided into the five economic areas. At the heading of each section is a table showing the distribution of electric energy for the January-September period of 1937 and 1936 to show the trend of sales.

MARITIME
Distribution of Energy
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Domestic	661,015	557,809
Electric boilers*	30,075	33,308
Exports	11,187	9,930
Total output	702,277	601,047

*New Brunswick only.

Nova Scotia Light & Power

The relatively low yield on the 4% bonds reflects the strong investment rating of the company, which controls by far the largest proportion of the power business in Nova Scotia. The company serves Halifax and vicinity and, through subsidiaries, a large percentage of the remaining principal areas in the province. Its record of earnings over a period of many years has been an exceptionally good one. Bond interest is covered comfortably after making full provision for depreciation and other reserves. The present bonds are payable only in Canadian funds.

QUEBEC
Distribution of Energy
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Domestic	4,420,840	4,201,712
Electric boilers	4,325,311	3,772,995
Exports	1,821,475	1,459,340
Total output	10,567,626	9,434,047

Beauharnois

Beauharnois Power Corp's affairs continue in a highly unsettled state. Its 5% bonds, however, are regarded in many quarters as offering attractive speculative possibilities, mainly on the basis of the company being able to enforce its cancelled contract with Ontario Hydro or the making of a new contract in the near future. At present the revenue of the operating subsidiary is not sufficient to pay full interest charges on the underlying bonds and there is little or no possibility of any interest being paid on the 5's when it becomes due next April. Further, these bonds are not a first mortgage and there is little that the holder can do to enforce payment in the event interest is deferred. Montreal Power, which controls the company, purchases less than half of Beauharnois' output and is not likely to increase deliveries until its own load is built up to a higher level.

Cedar Rapids Manufacturing

This is a subsidiary of Montreal Power, operating a long-established power plant on the St. Lawrence River a short distance from Montreal. No financial statement is made public, but the bonds have the backing of Montreal Power and are given a high investment rating.

Gatineau Power

Gatineau Power recently carried out an amalgamation with Canadian Hydro, as a result of which its capital stock is now available to the public. The building up of a public interest in the stock should have a good effect marketwise on the bonds and debentures. The company has an established earning power under present contracts. The new agreement with Ontario Hydro was only for a 10-year period, which detracts somewhat from the investment rating of the bonds. However, it is believed that by the time the contract expires, Hydro will want to renew it. Earnings over the past year have increased materially, and indications are that Ontario Hydro will call for an increase in firm power deliveries before the year ends. The interest on the 5% bonds is well covered.

One of the main purposes in the amalgamation of Canadian Hydro and Gatineau Power was to enable the latter to refund the 6% debentures which mature in 1941. A great deal of preliminary work has been done already in this connection and, as soon as marketing conditions are favorable, the debentures will be redeemed and replaced with a convertible issue. For that reason the bonds are selling close to their call price, though still offering an attractive yield for a short-term investment.

Maclaren-Quebec Power

Cancellation of the company's Ontario Hydro contract and the making of a new one calling for a smaller amount of energy, greatly curtailed the company's earning power. At present the company's income, part of which is derived from associated enterprise of James MacLaren, is not much more than interest requirements. There is a good prospect of an increase in the power deliveries to Ontario Hydro.

JOINS EXCHANGE

Melbourne F. Yull, a partner of the Montreal brokerage firm of Potter & Co., who has been elected a member of the Montreal Stock Exchange.

If this takes place, the bonds will be given a higher investment rating. Meanwhile, the bonds are backed by the Maclaren interests, which gives them a better standing than might otherwise be justified by earnings.

Montreal Island Power

Very few of these bonds are in the hands of the public, the majority having been acquired by Montreal Power. The company has a long-term contract with Montreal Power, under which the latter takes the complete output of the plant. Revenues have been sufficient to cover bond interest, with a small balance for depreciation. There have been some difficulties, legal and otherwise, over the possibility of installing further units. Here, again, Montreal Power's appearance in the picture has a favorable influence in the market value of the company's bonds.

Montreal Power

One of the largest of the privately owned power companies in Canada, Montreal Power has a highly favorable record of operations and earnings over a period of many years. The agitation for public ownership in Quebec has had an effect upon the market value of the company's securities but, apart from that, it is considered that the bonds are well secured and in any event will be well protected. As a high-grade investment, the company's bonds rank among the best.

Ottawa Valley Power

The renewal of the contract with Ontario Hydro has considerably altered the outlook for this company. Its plant at Chats Falls was built as a co-operative measure with the Ontario Hydro, which is the only customer for the output. Consequently, when the original contract was cancelled, earning power ceased. Now that the contract has been re-established, the bonds are again regarded as a sound investment.

Saguenay Electric

This is a small company handling the retail distribution of the Saguenay Power. It has very few bonds outstanding, but these are given a satisfactory investment rating because of the strength of the holding company, and, in turn, its association with Aluminium Ltd. Its earnings have not been altogether satisfactory, from the point of view of the bondholders, but it is believed the company will continue to meet all its obligations.

Saguenay Power

Saguenay Power is one of the largest power producers in Canada, its output being sold to the Aluminum plant at Arvida, Consolidated Paper, Price Bros. and Shawinigan Water and Power Co. The company has a well-established earning power, and current reports indicate continued expansion in income. The bonds of this company are highly regarded, as evidenced by the fact that they are selling at a premium and yielding only 4.05% to maturity.

Shawinigan

This company has recorded a considerable expansion in operations and earnings for the last two or three years. It has broadened out its activities, with the result that it supplies power to a large number of diversified industries in the St. Lawrence Valley and Eastern Townships of Quebec. In addition, it sells power to the Quebec Power Co. and Montreal Light, Heat and Power. Further, the company has important interests in the chemical field, and in many quarters this venture is regarded as likely to develop into an important money earner for the company in the near future. Shawinigan has been in operation for nearly 40 years and during that time has met every obligation in connection with its funded debt.

ONTARIO
Distribution of Energy
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Domestic	5,991,112	5,242,747
Electric boilers	760,892	894,070
Net imports	433,705	275,088
Total used	6,752,004	6,136,817

Canada Northern Power

Expansion of the mining industry in northern Ontario and northwestern Quebec has brought about a marked expansion in the power load and earnings of this company. Its rate of growth in the last two years has probably been greater than that for any other power company in Canada. Earnings are well established and bond interest is comfortably earned. Control rests with Power Corp. of Canada, though the latter assumes no obligation in connection with the bonds.

Great Lakes Power

This company has a well-developed earning power and the statement for the first nine months of 1937 shows that bond interest was earned 3.27 times after depreciation. This is in line with previously reported earnings. The company supplies the Soo district with power and, in order to take care of expanding sales, it has under way an expansion of power plant on the Montreal River. At present, the bonds are selling at a discount, due to the low coupon, but the yield at 4.55% at maturity is still below the average for the group as a whole.

Ottawa Light

Bonds of this company are well regarded. While the company is in competition with the civic system, nevertheless it has been able to show consistent earnings year after year. There have been comparatively few developments of any importance in connection with the earnings and operations of this company and as an investment, the bonds are given a good rating.

PRAIRIES
Distribution of Energy
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Domestic	1,166,546	1,101,945
Electric boilers*	319,671	285,717
Net imports	13,304	12,965
Total used	1,486,217	1,387,662

*Manitoba only.

Calgary Power

This company's bonds have been depressed in value owing to the uncertain political outlook in Alberta. Otherwise the company's operations and earnings would justify a better ranking for the bonds. Moreover, the settlement of the Ottawa Valley Power Co.'s difficulties with Hydro is a favorable factor, as control of Ottawa Valley is held by Calgary Power. Even without income from its holdings in Ottawa Valley, Calgary Power was able to cover its bond interest by a wide margin. With an improved political outlook in Alberta, the company's bonds would sell on a better basis.

National Light

National Light is a newcomer to the Canadian investment field, its bonds first having been offered to the public in 1930. While the output of the company has shown a consistent increase since 1929, revenues are still somewhat limited, the first mortgage bond interest being earned only 1.49 times after other interest and depreciation in 1936. For the first nine months of 1937, interest was earned, on the same basis, 1.64 times, reflecting an improvement in the company's earnings. At present the bonds return a yield of 6.87% to maturity, which reflects more the general unsettled economic conditions in Saskatchewan rather than the operations or earnings of the company.

Winnipeg Electric

A reorganization was carried out by Winnipeg Electric not long ago, which placed the debt of the company and its subsidiaries on a sounder basis. Earnings have not been altogether satisfactory in recent years, though the first mortgage bond interest is well covered. Income to date this year has been sufficient to cover interest on the B bonds, but there is no assurance that the company will continue to pay, as the latter security is only on an income basis. The company has had considerable difficulties with its street railway franchise and with competition from the civic system. Efforts are being made to secure concessions on the tram franchise, but so far unsuccessfully. It is owing to these uncertainties that the junior bonds sell on a speculative basis.

BRITISH COLUMBIA
Distribution of Energy
9 Months Ended September
(Thousands of Kilowatt Hours)

	1937	1936
Domestic	1,257,476	1,236,541
Electric boilers	4,544	3,667
Exports	14,117	13,345
Total	1,276,137	1,253,553

B. C. Power

B. C. Power is the largest power utility on the coast and is strongly entrenched. The company provides complete utility services and its operations and earnings have shown a consistent advance. The bonds of this company are given a high rating.

East Kootenay Power

A subsidiary of Power Corp. of Canada, this company reports limited earnings. Moreover, the company has not set up any reserve for depreciation in many years. Advances from the parent company now amount to a very large sum. It is definitely stated, however, that interest on the advances made by Power Corp. rank junior to interest on the first mortgage bonds. The company is faced with the prospect of funding these advances and, in view of this, together with the lack of earning power, the first mortgage bonds sell on a relatively high-yield basis.

International Hydro

While not a Canadian power company, International Hydro Electric System's debentures are widely held in this country. It controls the New England Power System, operating in the United States, and Gatineau Power Co. in Canada. The company is not receiving any income from these two major divisions, consequently there is considerable doubt as to the ability of the company to maintain interest payments on its debentures. It is regarded as a foregone conclusion that in the near future the system will have to go through a reorganization. Just how the debentures will be affected it is difficult to say at this time, but the fact that the 6% debentures are selling at a discount of more than 33 points indicates the uncertain outlook for the company.

International Power

International Power is a holding company whose subsidiaries operate in Newfoundland, Cuba and Central American countries. In the past, its earnings, in terms of Canadian dollars, have been affected by exchange conditions. However, there has been an improvement in the past year or two and the earnings of the parent company have improved to such an extent that it has been possible to resume partial dividends on the preferred stock. Moreover, there has been a substantial reduction in bank loans, effected in part by new financing. In connection with the debentures, it is well to note that there are two types. The 6% debentures of 1955, payable in Canadian funds and pounds sterling, are secured. The 6½% gold debentures of 1957 are payable in Canadian funds, American dollars or pounds sterling, but are not secured, being only an obligation of the company. The 6% gold debentures of 1957 are equal in all respects with the 6½% gold debentures, maturing on the same date.

Power Bond Yields

Company:	%	Due	Bid	Asked	Yield to Maturity on Asked Price
Beauharnois	5	1973	60½	62½	...
B. C. Power	4¼	1960	98	100	4.25
Calgary Power	5	1960	92	95	5.36
Do.	5	1964	90	94	5.40
Can. Northern Power	5	1953	102½	104½	4.60
Cedar Rapids Mfg.	5	1953	112	115	3.70
East Kootenay Power	7	1942	96	100	7.00
Gatineau Power	5	1956	101	103	4.75
Do.	6	1941	100	102	5.45
Great Lakes Power	4¼	1956	93	96	4.55
Inter. Hydro-Electric	6	1955	64	67	6.90
International Power	6	1955	99	102	5.82
Do.	6	1957	94	97	6.27
Maclaren-Quebec	5½	1961	100	103	5.27
Do.	5½	1964	99	102	5.35
Montreal Island	5½	1957	103½	106½	4.98
Montreal Power	3½	1956	99½	101½	3.40
Do.	3½	1973	93¼	95¾	3.72
National L. & P.	6	1949	....	93	6.87
N. S. Light & Power	4	1957	96½	99½	4.05
Ottawa L. H. & Pr.	5	1957	102¼	105	4.62
Ottawa Valley Power	5½	1970	104	106	5.12
Saguenay Electric	5½	1953	98	101	5.35
Saguenay Power	4¼	1966	101½	103½	4.05
Shawinigan	4½	1970	102	104	4.38
Do.	4	1961	98	100	4.00
Winnipeg Electric	4½	1960	104	106	4.10
Do.	4-5	1955	63	66	7.45
Do., B	5	1955	48	52	9.30

Canadian Utilities Makes Offer for Plant

Canadian Utilities Ltd., subsidiary of Dominion Gas and Electric Co., has made an offer to purchase the Tisdale power plant of the Saskatchewan Power Commission.

If sale of the plant to Canadian Utilities is approved, the company proposes to carry out a programme of expansion to include construction of power lines to a number of towns around Tisdale.

The proposal has been approved by the Tisdale municipal council and members of the Saskatchewan Government have received copies of a resolution passed by the Prince Albert Board of Trade, urging the Government to permit sale of the plant.

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Then look at its sensational low price—just a few cents a day more than smaller, lighter cars—and marvel how Studebaker does it!

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The Studebaker Corporation of Canada, Ltd.
WALKERVILLE, ONT.

"Don't take Medicine— maybe it's APPENDICITIS"

APPENDICITIS is taking lives day and night, week in and week out. Self-treatment often contributes to this loss of valuable human life, for appendicitis may be a relatively simple illness.

Many deaths from appendicitis could be prevented if, whenever an abdominal pain persists, everyone would follow these three simple rules:

1. Do not take a laxative, solid food, or medicine of any kind.
2. Stay quietly in bed. *3. Call a doctor.*

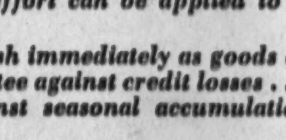
Acute inflammation of the appendix is almost always accompanied by a persistent pain and tenderness in the abdomen. Contrary to common belief, the pain rarely begins in the lower right side, although after some hours it usually settles there. It may be accompanied by fever or nausea, or both. Of course, not all intestinal discomfort is caused by appendicitis, but anyone who has a severe, persistent abdominal pain needs the prompt attention of a competent physician.

In cases of acute appendicitis any kind of laxative is dangerous, because it increases intestinal activity and may induce peritonitis, the dreaded and sometimes fatal complication. Even if the pain suddenly subsides, no one but a doctor can tell whether or not an operation is necessary.

During his diagnosis, the doctor often finds it necessary to make blood counts and to observe the patient's temperature over a period of time. He may say that the attack can be relieved without operating, or he may order an operation immediately.

Delay in calling a doctor is dangerous. When an appendix operation is promptly performed by a skilled surgeon, it is generally successful. Authorities agree that if everyone observed the three simple rules which appear above, many of the nearly eighteen thousand deaths from appendicitis which occur in Canada and the United States each year could be avoided.

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK



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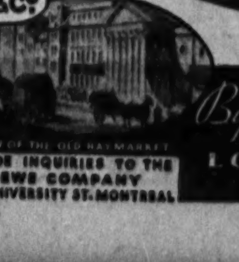

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International Power

We hold some International Power Co. 6½% debentures. Would you be good enough to let us have your opinion on this company?

International Power Co.'s associated companies are understood to be making satisfactory progress this year and financial statement for 1937 may show better income than in 1936, when $5.06 a share was earned on the first preferred. This contrasts with the current dividend of $1.50 a share quarterly. The company still is in arrears on the preferred stock. The 6½% debentures are unsecured but are payable as to principal and interest in Canadian and United States funds or sterling. The company has managed to earn interest charges on them by a comfortable margin throughout the depression years. As to obligations ranking ahead of these debentures, the company has been able to bring about a reduction, particularly in bank loans.

International Pete

I notice International Petroleum is giving an unusually high yield. It seems to me to be out of line with the other companies of equal strength. Is there any explanation for this?

International Petroleum Co. has not been earning in full the annual dividends of $2.50 a share. However, the company's powerful financial position permits it to continue dividends at the current rate. There have been increases in earnings this past year, because of higher prices for crude oil. Also you will probably have noted that the company's charges for depletion and depreciation are to a large extent nominal, since fixed assets have already been written down by about two-thirds. The high yield available on the stock indicates some scepticism about maintenance of the dividend, but we have no indication of a change. As the company depletes its assets as it produces oil, you might regard part of the dividend as a return of capital. Even then, however, you would be receiving a substantial yield.

Catelli Food

I note that Catelli Food Products has reduced in recent years the amount it provides for depreciation and am wondering whether the position of the company has been weakened as a result. Is it earning its preferred dividend?

It is true that the depreciation allowance of Catelli Food Products has been reduced quite considerably since 1933, provision for depreciation in 1936 amounting to $41,418 as compared with $84,297 in 1933. However, this is offset by setting up a special reserve for idle plants, which at November 30, 1936, amounted to $281,701. As at Nov. 30, 1932, this reserve amounted to $46,445. General depreciation account has increased from $295,896 in 1932 to $469,860 in 1936. Since fixed assets are carried in the balance sheet at $1.5 million it would appear that this reserve is ample.

The company is earning its preferred dividend by a good margin. Earnings on the preferred shares in 1936 amounted to $1.67 a share whereas preferred dividend requirements are 75 cents a share.

Hiram Walker

Can you give me a report on the earnings and dividends of Hiram Walker - Gooderham & Worts, Ltd.? I am interested in the common stock.

Hiram Walker - Gooderham & Worts, Ltd., reported net profits available for the common stock equivalent to $8.29 a share in the fiscal year ended Aug. 31, 1937. This compares with $6.58 a share in the preceding year. The company has recently declared a quarterly dividend of $1 a share on the common, payable Dec. 15, 1937, double previous payments. With the repeal of prohibition in the United States, the company directed every effort toward building up inventories of matured whiskies in that country. Additional working capital was necessary and early in 1936, $8 millions of convertible debentures were sold to provide necessary funds. By the end of June this year, this debenture issue had been reduced to less than $4 millions by conversion into common stock or redemption for cash.

All liquor concerns operating in the United States have been concentrating on building up inventories of matured whiskies and late in this year the first of these stocks will reach sufficient maturity to be released for sale. In view of the rapid rate at which these stocks have been built up and the failure of consumption to reach pre-prohibition levels, some fears have been expressed as to the ability of the companies to maintain a satisfactory price structure. It is probably true that Walkers has passed the period of most rapid expansion in earnings and the next few years will see a more stable condition maintained. On the other hand, with its inventories built up and its plants established, demands on working capital should become less and permit a more liberal dividend policy. The company is well established in the market and appears able to obtain a fair share of available business.

National Steel

I would appreciate a report on the present position of National Steel Car Corp. and its prospects.

National Steel Car Corp. has shown steady improvement in the past two years. In the year ended June 30, 1937, earnings on common were equivalent to $1.24 a share as compared with 9 cents a share in the previous year. As a result of this improvement the company paid a dividend of 50 cents a share on Oct. 15, the first since 1933.

As at June 30, 1937, working capital amounted to $1.2 million as compared with $995,000 in 1936 and $649,000 in 1935. Since June 30 there has been a further improvement in the balance sheet. Bank loans of $200,000 have been wiped out and replaced by a sizable cash balance.

The company expects to be able to report further improvement in the current fiscal year. Substantial orders were on hand at June 30 since only a small proportion of the orders received in 1936-37 were produced prior to that date. Operations up to Oct. 1 were well up to expectations and the Hamilton plant is now operating almost at capacity, with production totalling about 175 cars per week.

The company depends to a large extent upon the railways for its business. As earnings of the railways increase its business should improve.

Frost Steel

I understand an offer has been made for control of Frost Steel & Wire Co. As a holder of first preference stock, where do I stand?

An offer to purchase all Frost Steel & Wire Co. class "A" preference stock at $110 a share, and all the common at $12, has been accepted by the holders. This offer was not extended to first preference stockholders, but the company intends to call your shares for redemption at the call price of $107.50, on completion of the purchase offer. It is necessary to give 60 days' notice of redemption. Meanwhile you receive a dividend of $19.25 a share on Nov. 10, in full payment of arrears, in addition to the regular quarterly dividend which was paid Nov. 1.

C.P.R.

Is there any possibility of the Canadian Pacific Railway paying a common dividend this year? What is the reason for the recent decline in the price of the stock? I hear that the Dominion Government may purchase the common stock of the Canadian Pacific.

There is no possibility of the Canadian Pacific Railway paying a dividend on its common this year. The company has only paid 1% on its preference stock this year which carries a non-cumulative 4% dividend. A forecast of 1937 earnings appears in another story in this issue.

There are several reasons why the common is now selling below $9 a share. The price, of course, was carried downward by the general decline in the market. Furthermore, the immediate outlook does not indicate any possibility of a dividend and until such time as there is a normal wheat crop in western Canada, the company cannot hope for earnings that will permit it.

There is nothing in the rumor that the Dominion Government may purchase the common stock.

Kelvinator of Can.

How do you account for the decline in earnings of Kelvinator of Canada?

It is understood Kelvinator of Canada, Ltd., will report earnings of around $2.25 a share for the year ended Sept. 30, 1937, as compared with $3.05 for the preceding year. Actual earnings will not be known until the annual report appears, probably some time in December. The company states there has been a definite decline in volume of business due to unfavorable factors in England, Canada and some Empire territories. It is expected, however, that profit, after all charges, will exceed preferred and common dividend payments. A dividend of $1 a share was paid on the common stock on Sept. 29 of this year, which compares with initial payment of $1.25 on Sept. 25, 1936. New business in air-conditioning and the manufacturing of industrial refrigeration equipment is believed to have maintained sales volume approximately the same as last year, but a decline in sales of ice cream cabinets and domestic refrigerators accounts largely for reduced earnings.

Fanny Farmer

How do Fanny Farmer results this year compare with last year, and what are the prospects for the immediate future?

Fanny Farmer Candy Shops, Inc., has reported a profit of $467,773 for the nine months ended Sept. 30, 1937, an increase of $126,060 from the corresponding period of 1936. This is an increase of 36.89% for three-quarters of the year. During the same time sales have risen 17.8%. It has been estimated that earnings for the full year 1937 will approximate $2.40 a share as compared with $1.50 for 1936. A more aggressive programme of expansion is planned for the coming year. The company paid a bonus of 25 cents a share along with the regular dividend of the same amount on Oct. 1 and it is expected the annual rate will be increased from $1 to $2 a share beginning in 1938.

Waterloo Mfg.

Please comment on the financial position of Waterloo Manufacturing Co. and its prospects for recovery.

Continuation of drought and low prices of farm products in western Canada adversely affected Waterloo Manufacturing Co. in 1935 and 1936. A net loss of $126,554 was incurred in 1936 and $247,258 in 1935. The deficit carried forward at the end of 1936 was $1.1 million. The company has not paid any dividends on its class A stock since Nov. 1, 1930, and arrears were $6.17 a share at the end of 1936. No depreciation has been charged on fixed assets since 1929. Current liabilities exceeded current assets by $122,475 at the end of 1936. The company expected improved results in 1937, now that the repossession programme for machinery not paid for has been completed and this equipment redistributed in more stable areas. Arrangements have been made with a U.S. firm for sale in Canada of tractors and ploughs, which are being favorably received. Current sales to May, 1937, were substantially higher than those in comparable period of previous years. Crop failures in some sections of western Canada have since had an adverse influence, and prospects of the company appear largely dependent on agricultural prosperity in Canada.

Dominion Stores

Please furnish us with a report on the trend of earnings of Dominion Stores Ltd., and the possibility of dividend payments.

Dominion Stores Ltd. reported an increase of .81% in sales to Oct. 30, 1937, over the corresponding period of 1936. Net profit was $34,178 in the 24 weeks ended June 12, equivalent to 12 cents a share, as compared with a loss of $36,992 for the corresponding period of 1936. Sales to June 12 had increased 1.96%. The company has been carrying out a programme of modernization and improvements in its stores and has closed a number of unprofitable units. Dominion Stores has been rather heavily involved in the Montreal district where competition has been keen and there has been a tendency to levy discriminatory taxation. Early in this year 17 stores on Montreal Island were closed. The company has an adequate working capital position and should be able to resume payments of dividends as soon as earnings rise to a level which would justify this action. It is quite possible that a profit will be shown for 1937, but this is not likely to be very great, judging from results for the first half of the year.

Inter. Utilities $7 Pref.

I should like a report on International Utilities $7 prior preferred stock as an investment, based on earnings, dividends and future possibilities.

International Utilities Corp. paid dividends on its prior preferred stock through the depression years. A reduced rate was found necessary, however, from Nov. 1, 1933, until Nov. 1, 1936, when regular payments were resumed, and all arrears cleared up by March of this year. Working capital was $4.4 millions at June 30, 1937, while earnings for the first half of 1937 were $8.04 a share on the $7 prior preferred stock, compared with $14.98 a share for the full 1936 year. The amount of this stock outstanding has been steadily reduced, being 4,131 shares at June 30, 1937, down from 5,335 shares at the end of 1936 and 29,335 shares on Dec. 31, 1931.

The corporation is a holding and investment company, about one-fourth of its holdings being in western Canada under the Dominion Gas and Electric group. Its principal interest is in U.S. public utility and holding companies, and the future course of Government action in regulating these types of companies constitutes an uncertain factor in appraising its prospects.

Western Savings & Loan

Please give me a report on the financial standing and operations of Western Savings & Loan Assoc.

Western Savings & Loan Assoc. is a responsible organization whose operations are subject to the supervision of the Manitoba Public Utility Board. Powers of the Association are limited by an act of the Manitoba legislature. The Association sells long term savings certificates, which are of value to the investor who maintains his installment payments. If payments are discontinued, however, there is a loss in early years of the contract because cash surrender value may be less than the actual amount deposited. The Association's balance sheet at the end of 1936 showed adequate securities to cover the cash surrender claims of certificate holders. Total assets were $1,139,682 at Dec. 31, 1936, of which Government bonds were $639,898. Other assets were largely mortgage loans on improved city property, cash and loans on certificates. At the end of 1936, there was a surplus of $252,095 in favor of certificate holders. The company's investments are restricted to bonds issued or guaranteed by the Dominion and provincial governments and municipalities, and first mortgages. The Association can also invest in the securities of any loan company whose investments are restricted to those permitted to the Association itself.

Riverside Bonds

We would appreciate any information concerning town of Riverside bonds, particularly with reference to reorganization possibilities.

We understand there is little prospect that Riverside will be refinanced in the near future. The Ontario Department of Municipal Affairs is collecting figures on which to base a refinancing plan, but, because of the weak financial position of Riverside there is likely to be some delay. We understand that insufficient progress has been made to indicate what terms bondholders may expect, but a considerable reduction, at least in interest rate, will likely have to be conceded. We understand there has been considerable improvement in the town's financial position in the last two or three years.

Consumer Stocks For Women

In advising women investors on their holdings, I have noticed that they are often unduly worried over price changes on their stocks. Can you suggest any general principal which might be followed to lessen this situation?

Psychology is probably of more importance to a woman investor than it is to a man and should receive more emphasis. An experienced investment counsellor recently outlined this aspect of investments to The Financial Post and his suggestions might be of assistance.

Women, he said, should confine their investments in stocks to those companies making or selling consumer goods or providing services regularly used in the household. She should leave to her husband, father and other male investors companies engaged in other lines of industrial endeavor, according to this authority, if she desires the greatest satisfaction.

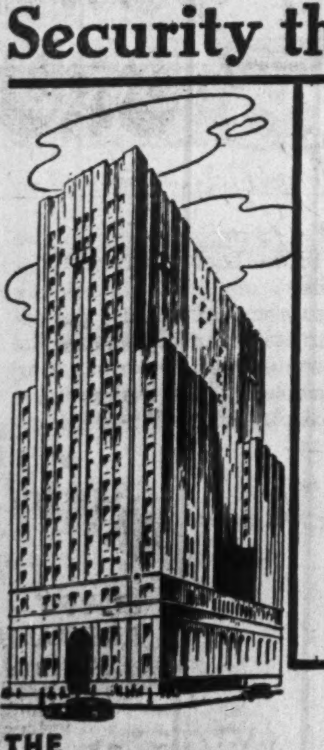
Familiarity is one of the arguments used in supporting this idea. In their household shopping, women, for example, buy the products of Canadian Canners or Canada Packers and might make their purchases in a Loblaw groceteria. Many women smoke and in Imperial Tobacco Co., for example, they have a stable dividend-paying company. They are familiar with these names and can associate them with goods which they use every day. Thus the suggestion that they buy stocks in such companies may be more favorably received.

It is also generally true that concerns making or selling consumer goods, as opposed to those engaged in the iron and steel industries, for example, have a more stable record and show smaller fluctuations in earnings, dividend payments and market prices. Even in times of depression, the average person does not reduce his purchases of food or clothing to any great extent. Stability, in other words, is the keynote of such investments. Laura Secord continued to earn and pay its dividend of $3 a share throughout the depression while shareholders of such service companies as Bell Telephone Co. and Consumers' Gas had little to complain about.

While it is quite true that these companies as a class have continued to earn and pay dividends, it cannot be said that purchases can be made indiscriminately. Records show that there are good and poor companies in consumer goods industries as well as in other industries and careful selection is still necessary but a sound selection from this group, once made, is less likely to cause the woman investor worry because of reduced dividends or extreme fluctuations in prices for the stocks.

There are companies with stable records in other lines of industry and it should hardly be said that a woman investor should confine her stock purchases to concerns making or selling food and clothing. What has been said here might be used as an illustration of keeping stable dividend records and prices in mind when recommending investments to a woman.

Security that Never Dies

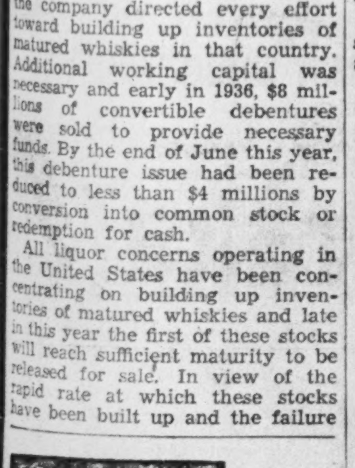


The man who entrusts his family's safety to individuals, however wise and scrupulous, is braving human frailty and the changes of time. Protection reared in a lifetime of loving care needs surer safeguard. This Company never dies. Its fund of knowledge and experience ensures skilled, economical administration of your estate as long as the beneficiaries live. Take steps in time.

67

THE CANADA PERMANENT TRUST COMPANY
BAY AND ADELAIDE STREETS, TORONTO

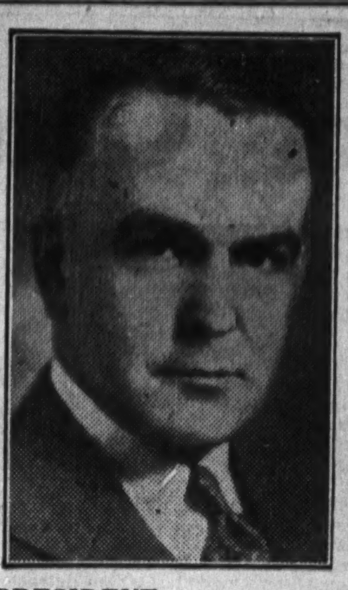
START AND FINISH THE DAY FACE FRESH



Simple, fast automatic stropping and honing action insures a close, clean, comfortable shave every day. No blades to buy.

$6.95 AND UP

ROLLS RAZOR



PRESIDENT

Theodore G. Montague (above) has been elected president of The Borden Co.; George M. Waugh, Jr., has been elected executive vice-president; Harold W. Comfort is vice-president in charge of fluid milk operations; Robcliff V. Jones is made a vice-president in charge of the ice cream division; Stanley M. Ross has been made a member of the executive committee. The Borden Co., through its subsidiary, Borden Co. Ltd., has substantial interests in Canada, including ownership of City Dairy Co., Toronto.

Seagrams Hits Peak in Assets

Net Working Capital at $32.5 Millions, Up $18 Millions from Last Year

From Our Own Correspondent

MONTREAL. — Sharp expansion in assets and net working capital position is set out in the consolidated balance sheet of Distillers Corp.-Seagrams Ltd. for the year ended July 31, 1937. Previously the company had issued its profit and loss statement which showed sales at a record total of $81,872,168 and net profits of $7,444,258.

The report to the shareholders states that the major construction programme in the States is now practically complete and no further capital appropriation of considerable magnitude is contemplated. Mention also is made of sales during the year, but there is no reference to a dividend on the common stock.

The balance sheet shows current assets of $53,500,249, of which $5,311,225 represents cash in banks and on hand. Accounts receivable advanced during the year from $6,390,000 to $9,298,173.

The principal change among the assets during the year was an advance in the value of inventories from $24,640,382 to $38,740,100. No particulars are given to indicate the extent of the gallonage held by the company.

During the year the company spent about $2.6 millions on plant and equipment, which now stands on the books at $13,254,915 after depreciation reserve of $4 millions.

Bank Borrowings Up

A considerable expansion in bank borrowings is shown among liabilities. During the year the company issued $15 millions of preferred stock, proceeds of which were used to liquidate bank loans. The current statement shows advances under a bank credit agreement of $12.5 millions. In addition there are $2,150,000 in notes payable to banks. At the end of the 1936 fiscal year, the total indebtedness to the banks was $13 millions.

There has been no increase in the issued number of common shares, while the earned surplus stands at $22,639,743, as against $16,854,325 a year ago.

Total assets at the end of last July amounted to $78,308,482, compared with $54,793,217 at the close of the previous year.

Montreal Loan Director

From Our Own Correspondent

MONTREAL. — At a meeting of the board of directors of the Montreal Loan and Mortgage Co., E. Greville Hampson, Montreal, was elected a director of the company.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

McColl to Absorb Perfection Pete

Makes Offer for Exchange of Preferred Stock

From Our Own Correspondent

MONTREAL.—Absorption of Perfection Petroleums Ltd., which is a distributing organization for petroleum products operating for the most part in the Toronto area, is contemplated by McColl-Frontenac Oil Co. McColl-Frontenac now owns practically all the common stock.

Preferred shareholders of Perfection Petroleums are in receipt of a letter suggesting that they exchange their stock for preferred of McColl-Frontenac on the basis of four shares of Perfection Petroleums for one McColl-Frontenac.

Perfection Petroleum preferred shares are no par value, but are callable at $25 a share and carry a cumulative dividend of $1.50 a share per annum. McColl-Frontenac preferred shares are $100 par and carry a cumulative dividend of $6 per annum. Dividends on both stocks have been paid regularly.

Since there are 9,288 shares of Perfection Petroleum outstanding the exchange will involve the issuance of 2,322 additional shares of McColl-Frontenac preferred, bringing the amount of preferred outstanding to 79,996 shares.

FOUNDED 1855

A Safe REMUNERATIVE INVESTMENT

Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:

for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%

A legal investment for trust funds.

CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $68,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

EIGHTY-NINTH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1937

Your Directors present herewith the Eighty-ninth Annual Report of the operations of the Company together with the Financial Statements for the year ended September 30th, 1937.

The gross earnings for the year amounted to $7,126,384.58 as compared with $7,126,103.99 for the previous year.

The revenue from the sale of gas for 1937 was $5,319,527.84, an increase of $92,764.89 as compared with 1936.

The value of residuals produced was $152,042.84 less than that of the preceding year. The production of residuals, coke, tar and ammonia, is effected in the process of coal gas manufacture, the quantities produced in any year being proportionate to the quantity of coal carbonized. During the year one-half of the coal gas plant at Station "B" Works was shut down for a period of three months in order to carry out necessary repairs and renewals, and as a consequence, the total quantity of coal carbonized was considerably below that of last year.

The sales of gas appliances amounted to $309,142.06, an increase over the sales of the preceding year of $56,244.42 or 22 per cent., and an increase over the sales of 1934 of 84 per cent. In addition to the selling of appliances the sales department has energetically continued its efforts throughout the year to stimulate the use of gas for domestic and industrial purposes.

Operating Expenses, including Taxes, amounted to $5,173,194.62. The high prices of raw materials and other commodities required in the Company's operations which have prevailed during recent years were further increased in 1937.

The enactment of the Social Security Act in the United States and increased wage scales granted to coal miners were responsible for a substantial increase in the cost of coal in 1937.

The Bituminous Coal Act, which is designed to regulate the coal industry in the United States, was passed by the government of that country on April 26th, 1937. It is anticipated that the prices for coal, which a commission appointed under the Act is empowered to determine, will be considerably higher on future purchases than the prices now being paid by the Company.

During the year your Directors decided to re-establish the wage rates which were in effect prior to May, 1932, and in keeping with the Company's long established policy of according to its employees fair treatment and reasonable working conditions, they granted to all wage roll employees, not heretofore receiving holidays, one week's vacation with pay.

The Company paid in wages and salaries to its employees during the year an amount of $1,846,044.69. The average number of employees on the payroll was 1,292.

Taxation in one form or another constitutes an important factor in the price of gas. The total amount charged in the accounts for the year for direct taxes, which include Dominion Income Tax, Ontario Corporations Tax, Workmen's Compensation Tax and Municipal Property Tax, was $536,120.28.

Customs Duties, Excise Tax, Sales Tax, Fees and Licenses paid by the Company during the year amounted to $356,255.99.

The total amount of Taxes and Customs Duties, etc., for 1937 was $892,376.27, whereas the amount of the corresponding items in 1927 was $551,215.19. The figures show that in the ten year period the annual cost of these items has increased $341,161.08.

After carefully considering the financial position of the Company and having regard to the greatly increased taxes and customs duties, the continued high cost of raw materials and other items of expense, and the prospect of having to meet further increases in the cost of coal, your Directors were reluctantly compelled to increase the price of gas by 1 cent per 100 cubic feet, in order to preserve the financial integrity of the Company and to maintain a high standard of service to the public.

No important additions were made to the manufacturing plant during the year. Extensions to the distribution system were carried out only where there was a reasonable demand for gas service.

During the year there was expended the sum of $588,415.47 for the purpose of maintaining the manufacturing plants and other properties and equipment of the Company in good physical condition.

On February 17th last, your Directors, in accordance with the terms of the Supplementary Letters Patent granted November 26th, 1928, sold by tender to the highest bidders, 5,000 shares of the Company's capital stock having a par value of $500,000.00. The total proceeds from the sale amounted to $1,005,772.00. The average price realized was $201.15 per share, and therefore the average rate of return which the purchasers receive on their investments, based upon the current dividend, is 4.97 per cent. per annum.

The share capital outstanding consists of 145,552 shares of Common Stock of a par value of $100.00 each, a total value of $14,555,200.00. The Shareholders now number 3,977, ninety-two per cent. of whom reside in Canada.

All of which is respectfully submitted.

T. BRADSHAW,
President.

STATEMENT OF INCOME AND PROFIT AND LOSS
For Year Ended September 30th, 1937

GROSS EARNINGS:		
Gas Sales	$5,319,527.84	
Residuals Produced	1,488,016.84	
Merchandise Sold	309,142.06	
Miscellaneous Revenue	9,697.84	
		$7,126,384.58
Production, Distribution and Administration Expenses and Taxes		5,173,194.62
NET EARNINGS		$1,953,189.96
INTEREST EARNINGS NET		92,777.76
		$2,045,967.72
Dividends on Capital Stock		1,436,766.93
		$609,200.79
Transferred from Reserve Fund		460,991.12
		$1,070,191.91
Transferred to Plant and Buildings Renewal Fund		$1,070,191.91

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1937

LIABILITIES

Capital Stock		$14,555,200.00
Reserve Fund		6,007,216.40
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1936	$4,936,461.79	
Less Repairs and Renewals	588,415.47	
	$4,348,046.32	
Appropriation from Earnings, Authorized by Statute	1,070,191.91	
		5,418,238.23
Reserved for Dividend No. 350		363,880.00
Provision for Dominion and Ontario Government Taxation		105,461.26
Accounts Payable		339,992.76
		$26,789,988.65

ASSETS

Real Estate, Plant and Equipment	$22,258,388.11
Investment in Dominion of Canada, Province of Ontario, and City of Toronto Debentures	1,984,896.72
Materials and Supplies	1,212,261.40
Cash in Bank and Offices	288,632.52
Accounts Receivable, after making provision for Doubtful Accounts	901,937.59
Interest Accrued, not due	34,824.13
Prepaid Taxes and Insurance	109,038.18
	$26,789,988.65

Approved on behalf of the Board of Directors.

(Signed) T. BRADSHAW, President.
(Signed) EDWARD J. TUCKER, General Manager.

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1937. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

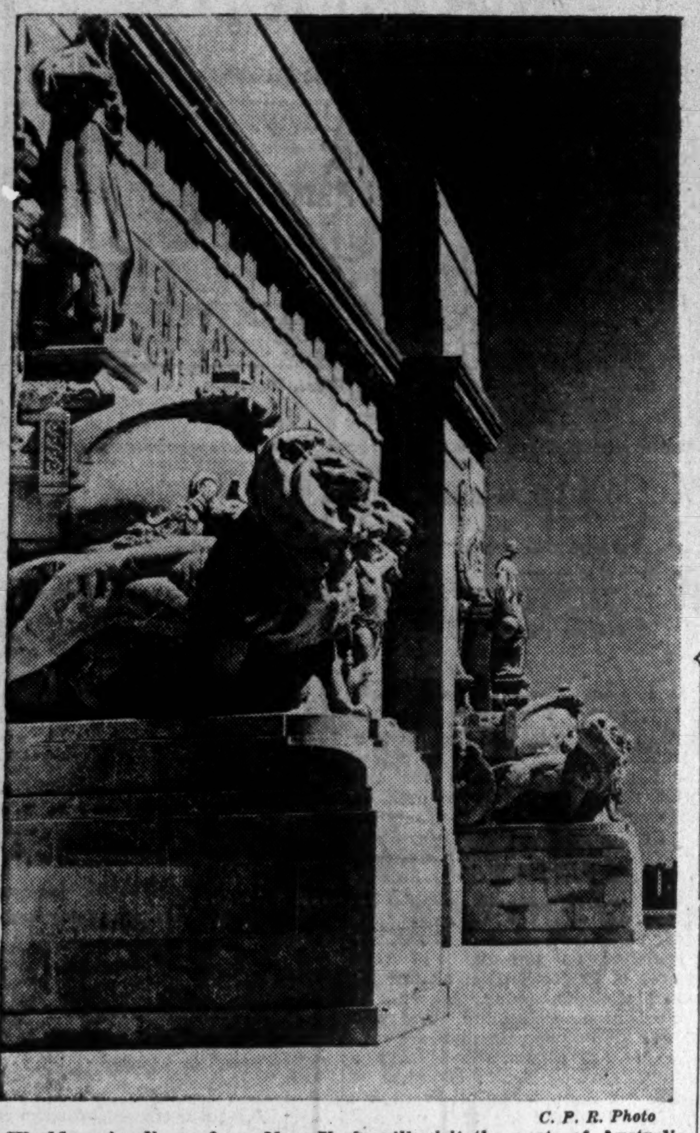
(Signed) GUNN, ROBERTS & COMPANY,
Chartered Accountants.

TORONTO, November 2nd, 1937.

At the Annual Meeting of the Shareholders held November 8, 1937, the following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; T Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; W. C Laidlaw, Esq., C. S. Macdonald, Esq.; Colonel J. F. Michie; F. G. Osler, Esq.; T H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. Thomas Bradshaw and Mr. A. H. Campbell were re-elected President and Vice-President, respectively.

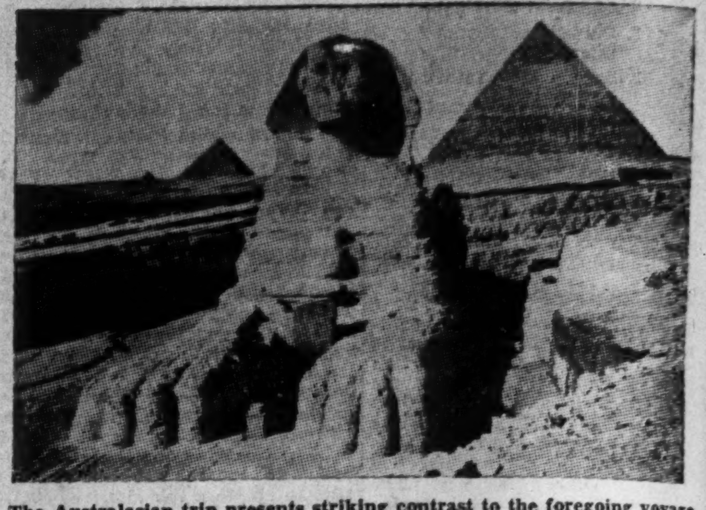
World Cruise Liners Chart New Course for 1938



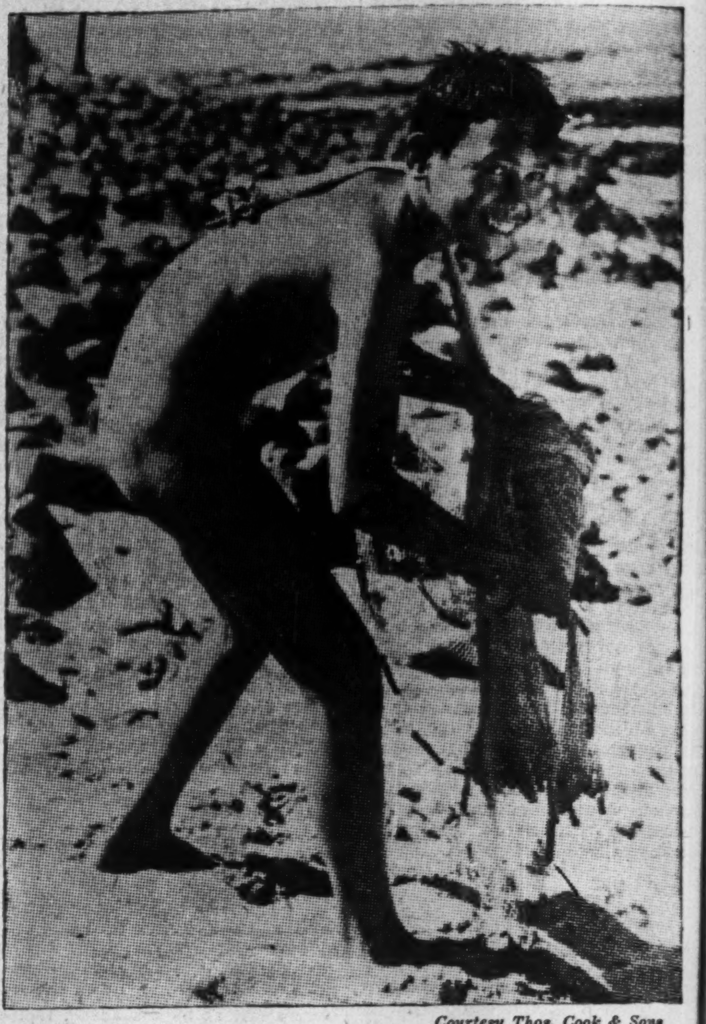
C. P. R. Photo

World cruise liners from New York will visit the ports of Australia and New Zealand for the first time this year. Above—The War Memorial at Melbourne, Australia.

Australia is a land of paradox. Camels provide transport through its central desert area. C. P. R. Photo

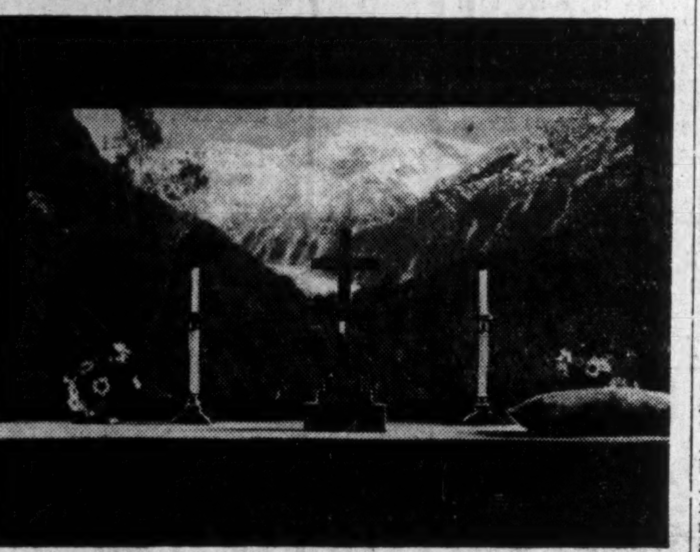


The Australasian trip presents striking contrast to the foregoing voyage through the Mediterranean and the Orient. Above—A Sphinx resurrected from the sands on the banks of the Nile.



Courtesy Thos. Cook & Sons

The home stretch brings a short call at Honolulu. A fisher boy of Hawaii.



Courtesy New Zealand Trade Commission

New Zealand's mountain ranges are unparalleled anywhere in the world. Franz Josef Glacier seen through the window of Waiho Chapel provides an awe-inspiring reredos.

Courtesy Australian Trade Commission

This single span bridge over the harbor at Sydney, Australia, is the largest in the British Empire.

Australian and New Zealand Ports Included In Round-the-world Voyage as Sino-Jap War Drives Ships Below Equator

Because Japanese and Chinese armies are spreading destruction around Shanghai, world cruise travellers from Canada and the United States next year will see Australia and New Zealand.

When steamship companies early this year arranged their itineraries for the 1938 trips around the world they followed precedent, arranging to take their parties over the old route from Hong Kong to Shanghai and Peiping and then heading eastward to Yokohama before the return trip across the Pacific. The Japanese military clique at Tokio, however, had other plans.

Whether more adventurous world cruise tourists like it or not the steamship companies are not going to risk their passengers or their ships within a hundred miles of a Japanese bomb. When the Empress of Britain, the Bremen, the Franconia and the Reliance leave Hong Kong next spring they will head south across the equator en route for the two Empire countries of the antipodes. For the Franconia this will be the sixth crossing of the equator since leaving New York.

New Source of Revenue

Australian and New Zealand governments have not overlooked the significance of these initial visits of world cruise liners from New York. As soon as the change was made both Governments through their American and Canadian offices offered their co-operation and have made all arrangements for important overland excursions.

World cruise ships carry from 200 to 400 passengers, each one a potential carrier of goodwill to the western world where these dominions are reaching out for markets. In addition these world travellers are important spenders. They have paid between $2,000 and $2,500 for their passages alone and in most cases have allowed themselves a good-sized budget for getting everything there is to get out of the trip. While an accurate compilation of average spendings of world cruise visitors is impossible one line has estimated that its ship carries home from these tours nearly $400,000 worth of purchases made by individual tourists.

Inclusion of Australia for the first time in these world cruises coincides with celebration by the Commonwealth of the 150th anniversary of its settlement. Captain Cook sailed into Botany Bay in 1770 and in 1788 Great Britain established its famous penal colony. When the four ships arrive at Sydney harbor in the early fall (April) passengers will be in time to take part in the closing events of a summer of carnival and pageantry unequalled in Australian history.

Land of Paradox

Australia is a land of paradox and anachronism. Smaller by 400,000 square miles than Canada it presents standards of civilization more than 1,000 years apart. Its aborigines are the most primitive race in the world today, its cities the most modern. Its six states have built some 30,000 miles of railway yet an immense area of the interior is still an unexplored mystery.

Coming directly from Bombay, Hong Kong, Singapore and Java the cruise traveller, when he walks the streets of Sydney and Melbourne may feel that some miracle has suddenly landed him back in America. His tour of Sydney will take him across one of the important feats of modern engineering, the largest single span bridge in the British Empire. Canberra is one of the few examples in the world of the 20th century art of town planning. This mountain flanked seat of the Commonwealth Government was laid out after 1920 by the Chicago architect, Walter B. Griffin. It has been taken as a model for the movement which is only just gaining headway on the North American continent.

But if the traveller falls into the error of thinking himself in the northern hemisphere a little sightseeing away from the main centres of civilization will soon disillusion him. An excursion from Sydney to Katoomba and the Blue Mountain district of New South Wales will give him scenery unparalleled even by the Rockies but so different that comparisons with the north fade. Mount Victoria and the Jenolan caves provide one of the highlights of Australia's nature show. These caverns described elsewhere on this page typify the mystery of this old-new continent.

If he is still unconvinced that he is really on the "down under" side of his earth the visitor can take another trip to Koala Park where the curious wild life (non-human) of this sub-tropical country has been gathered. The park has been named for that ridiculous little animal which has its nearest parallel in North America in the Christmas stocking teddy bear. News picture services have spread the fame of the Koala abroad but take the original from his native haunts and he soon dies.

New Zealand

From Melbourne the world cruise ships will steam southeastward to Milford Sound on the South Island of New Zealand. Here the ships can push far into the fjordland region where the sea reaches inland for miles between cliffs hundreds of feet high. A short stop may be made to allow passengers a glimpse of Dunedin, Admiral Byrd's jumping off place on his trip to the South Pole before the steamers head northward for Cook's straits and the capital city, Wellington on the North island.

Discovered by Captain Cook in 1769 this island dominion has had less than a century of development by British population. It dates its history from the formation of New Zealand Co. in 1840.

The population of New Zealand, 1.5 millions (including some 83,000 Maori) is distributed over an area about one-seventh larger than Great Britain. Living standards are high. The private wealth of New Zealand is estimated at $3.5 billions or a per capita figure of about $2,500 including the native population. It has more than 12,000 miles of main highway and one in every ten persons owns a car, a record surpassed only by the United States and Canada.

Crowded into the two islands is a bewildering variety of geological structures providing crop and ranch lands, lakes, primeval forests and volcanic and glacial regions. The result is a wide diversity of industry. New Zealand draws her main wealth from agriculture but gold mining, forestry, fisheries and manufacturing industries are going ahead rapidly. In 1936 these sources of national wealth produced a total national income of $1.7 billions or about $350 per capita.

New Zealand's two largest cities Auckland (212,159) and Wellington (149,971) lie at the north and south of the northern island and between them in an area of less than 50,000 square miles can be found in miniature half the natural resources of the North American continent.

Capitalizing on Scenery

New Zealand has missed few bets in capitalizing on its scenic attractions. The north island is honeycombed with parks and resorts which provide everything from tropical gardens and geyser valleys to snow and glacier fields. Summer or winter there are few places on the island where snow falls in the valleys but it is always accessible on the mountain tops. Cost of accommodation in New Zealand is approximately the same as the British Isles though depreciation of the New Zealand pound gives the traveller a slight edge over the tourist in England.

In some sections this antipodean dominion is more English than England though Maori villages are seldom more than a few miles distant from its modern centres of civilization. New Zealand has its Christchurch and Canterbury college, its New Plymouth and its Nelson. It goes native with Tel Aroha, Auranga, Waikare Moana and scores of other Maori names. An exception to the rule, however, is to be found in the north where Helensville strikes a harshly familiar note to the American or Canadian traveller.

Helensville, is one of the many Spa towns of the northern section where hydro-thermal pools and springs attract wealthy rheumatic holiday seekers. The centre of the Spa district is the town of Rotorua farther south and on the edge of the weird geyser valley of Wairakei.

Maori Life

This country is dotted at frequent intervals with Maori settlements. Long before whites invaded their island these people had learned the benefits of the volcanic region. Pools of boiling water make a splendid substitute for cook stoves and washing machines. Warm springs eliminate the Saturday bath night problem. Each home in these Maori villages has a small fenced area beside it with one of these hot water baths as its centre. Wash day for the Maori housewife consists of tying the clothing into a bundle, dropping it over the edge and pulling it out when the bubbling waters have done their work.

Touring Geyserland

For the tourist who wants his adventure served up on a silver platter New Zealand has provided a chain of good up-to-date hotels, golf courses and good train and bus services through its geyserland. King of these hotels is the Chateau at Tongariro National Park set on a table land surrounded by three volcanic peaks, one of which, Mount Ngauruhoe, still belches smoke from its crater.

The geyser valley and its surroundings provides a wealth of contrasts with cool lakes and forest land separated by active geysers and boiling rivers. Near Whakarewarewa is the inferno of Tikitere a field of boiling mud which steams and bubbles like a great porridge pot.

From Rotorua the New Zealand Government conducts an all-day tour through the Earthquake flats to the Waimangu Geyser. The tour includes a launch trip across Lake Rotomahana, where at times the boat is chugging in steaming, simmering water and passengers are warned to forego the habit of reaching their hands over the side.

Cruise Routings

The "Franconia" is the only one of the four ships to have visited the Antipodes previously, and the "Bremen" will have the distinction of being the largest ship seen in Australian and New Zealand waters. The "Reliance" is the first arrival, spending three days in Sydney and a day in Melbourne before proceeding to Auckland, where she spends four days, thence to Wellington for two days. Next is the "Bremen," spending a day in Melbourne and three days in Sydney before proceeding to Milford Sound (South Island, New Zealand), a day in Wellington and three days in Auckland.

The "Empress of Britain" visits Sydney first for three days, then Melbourne for a day, continuing to Milford Sound, then to Wellington for a day and Auckland for four days. Finally, the "Franconia" arrives at Sydney, spending two days there before heading for Hobart, Tasmania for a day. After making calls at Milford and George Sounds, New Zealand, she proceeds to Wellington for a day, thence to Auckland for three days.

Australia's Wonder Caves

Among Australia's most beautiful sights are Jenolan Caves, a series of mighty caverns in the rugged valleys of the Great Dividing Range just an eight-hour rail or bus journey from Sydney. The ten caves have been created by underground rivers and are decorated from end to end with delicate limestone formations, hung with magic tapestries, and draped with delicate lacework supported on natural fluted columns.

Natural Bridge

After driving through miles of beautiful, wild mountain scenery the visitor gets his first glimpse of Jenolan as he descends the five-mile hill. It is the Grand Arch, a huge natural bridge 470 feet long and 40 to 80 feet high with a varying width of from 50 to 227 feet. Just below it is the willow bordered blue lake. Carbonate of lime is the cause of the beautiful coloring of the water.

This lake is the confluence of three rivers, two of which flow underground, and the third through the Grand Arch. There is another natural bridge high above the Grand Arch. It is Carlotta Arch and is 60 feet high and 40 feet wide. Each cave has its own peculiar beauties. One of the most interesting is the River Cave, through which flows the river Styx, with a depth of 25 feet.

The caverns are illuminated, but the lights are so placed that they add to the natural beauty and make the hanging canopies glitter like precious jewels.

Discovered in 1838

The caves were discovered in 1838 by a Charles Whelan, while he was following the tracks of stolen cattle. But an outlaw named McKeowan had been there before him. His camp was found by Whelan. The river flowing through the Grand Arch is still known as McKeown's Creek. Jenolan is an aboriginal word and means a high mountain.

Six square miles of surrounding country have been reserved by the Government to protect the caves and it is a sanctuary for Australian birds, animals and native flora.

Travellers

J. Gardiner Thompson, Montreal, has left for Jamaica where he will spend the winter.

Walter Molson, president of Walter Molson & Co., Montreal, has left with his wife for California, where he will spend a month's holiday.

T. A. Russell, president of Massey-Harris Co., has returned from a trip to Europe.

S. J. Hungerford, president of the Canadian National Railways, was among the arrivals on the Empress of Britain last week. He has been making a tour of the company's offices in France, Germany, the Netherlands, Belgium and the British Isles

MAKE THIS MERRY CHRISTMAS MERRIER

Sail on the "Lady Rodney" Christmas Day

DEC·25 FROM Boston

REDUCED 19 DAY "Round Voyage" FARES

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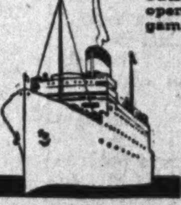
"Lady" Liners, specially built for tropical travel, offer all outside rooms . . . facilities for open-air bathing and deck games . . . excellent cuisine.



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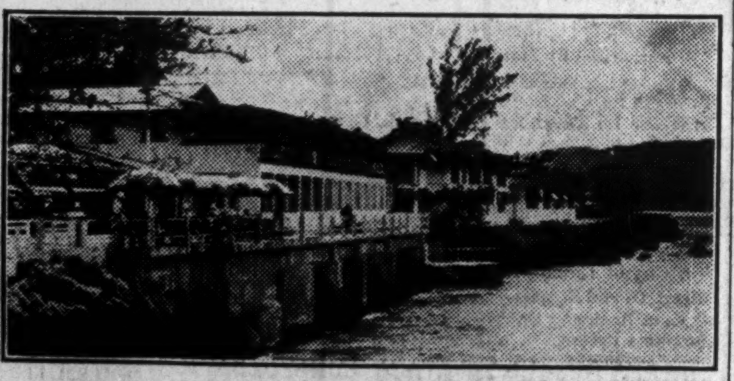

● Social and recreational pivot of Jamaica's most famous resort, with the blue waters of the Caribbean lapping at its very walls, the Hotel Casa Blanca offers every facility for a peerless vacation in a climate and amid surroundings that leave nothing to be desired.

Every sport—motoring—entertainment—dancing. Restfully dignified public rooms—cool, comfortable bedrooms with bath, the majority with balcony sitting rooms — attractive cottages if you prefer—distinguished fellow guests—a genuinely friendly atmosphere—a cuisine that is renowned in three continents.

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MONTEGO BAY

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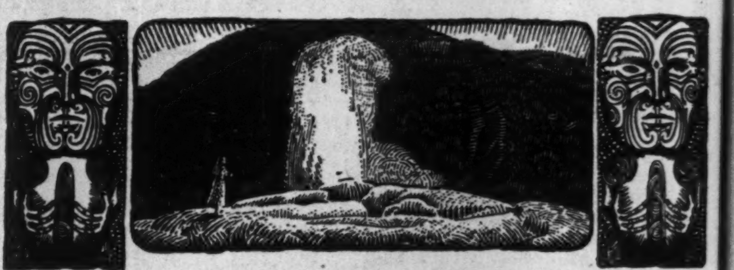

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. . . BEAUTIFUL ISLES OF SUNSHINE

Enjoy a never-to-be-forgotten holiday in this surprising land . . . where past and present mingle . . . where all things harmonize in glorious beauty. Visit mighty glaciers . . . thundering waterfalls . . . Rotorua, home of the Maoris . . . and land of hot pools and steaming geysers . . . the world-famous Glowworm Caves at Waitomo. Outdoors, every sport is available, and indoors de luxe hotels or friendly inns offer real charm and comfort, outstanding cuisine and service. Plan now to visit New Zealand . . . sail away from snow and chilly winter winds into a gay new world of gaiety and sunshine.

Railway fares are reasonable and you can enjoy American Plan Hotel Accommodation with complete itineraries for as little as $6.50 to $8.00 a day. New Zealand summer extends from November to April and luxurious steamships sail regularly from the Pacific Coast. Any travel agent will gladly give you full information or write to

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Cabin $141 up—Third $91

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TWO SPECIAL WINTER CRUISES
6-DAY New Year's Cruise to Havana on the Manhattan, Dec. 27 . . . $77.50 up.
11-DAY Cruise to Nassau, Havana, Kingston on the Virginia, Jan. 5 . . . $140 up.

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United States Lines
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Book Early and Avoid Disappointment

Ships Pay Port Tariff In Ice Cream at Aloe

Cruise steamers calling at Kalabahai, the seaport of the island of Alor in the Dutch East Indies pay their port dues in foodstuffs and trinkets. While currencies are not unknown on the island the dwarf tribes are still uncertain of the value of money. Three years ago when the S.S. Franconia called at the port the four pigmy kings of the country asked that in future all port taxes be paid in food. Ice cream is rated by the kings as the most valuable of the commodities exchanged for port privileges.

7,000 Trains a Day

More than five times as many passenger and freight trains are operated per mile of route track in the British Isles as in the United States and Canada. The volume of transportation carried may be gauged by the fact that in London alone 7,000 passenger trains arrive and leave the seven main line termini every day, an average of five trains a minute throughout the 24 hours. In Scotland, Glasgow's three principal stations handle the arrivals and departures of more than 1,500 passenger trains every week day.

Many a guest has told us:
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The Travel Budget

What does it cost to travel?

This question, asked more often than any other by those who are planning trips and those who would like to is one of the most difficult to answer. Each individual case has its own individual solution.

The majority of prospective travellers whether they are planning a world cruise or a trip to Bermuda set a rough budget of expenses and often these budgets are submitted to travel agencies. If they are at all reasonable the agency will furnish expert advice on how it can be done. Often, however, incurable optimists submit a puzzle which even travel experts may find it hard to solve. Recently a Canadian agency received a letter asking for an itinerary of England, France, Germany, Italy and if possible Switzerland—time, one month—limit of budget $150.

For the average traveller the special tour conducted either by a steamship company or a travel agency represents the most economical way of seeing foreign lands. Here again, though certain yardsticks can be set, costs vary widely with standard of accommodation demanded.

Computing travelling costs by the day is a convenient though sometimes dangerous method of budgeting and leads to one popular fallacy—that the cruise that takes the longest time is the cheapest. A man may travel in one day from Toronto to New York—cost $40 a day. If he stops over for a day en route his hotel bill may add $10 to the expense of the trip. The cost per day is reduced to $25.

While the claim that it is cheaper to travel than live at home is an obvious exaggeration, costs of travel cruises computed by the day are remarkably low considering the value received. Stripped of incidental necessary expenditures as well as the larger item of controllable expenditures on gifts, etc., here are daily costs of a few travel cruises picked at random from the listings.

	Number of days	Daily cost $
Mediterranean ...	40 to 50	14 to 11
Nassau, Havana & Panama	12 to 16	13 to 11
South America ..	47 to 61	11.50 to 10.60
*World cruise	128 to 142	18 to 13.40

*Passages in this case are exclusive of some of the optional overland excursions.

Fifty Million Dollar Fair

Scotland joins the ranks of big fair producers with the Empire Exhibition to be opened in Glasgow next May.

The drama to be enacted during the five months of the exhibition will be the march of progress of the British Commonwealth shown against a setting which, it is estimated, will cost $50 millions. Canada, South Africa, New Zealand, Australia and Ireland have already officially undertaken to participate.

More than 1,000 acres of Bellahouston Park will be used for the display. A 170-foot hill rising in the centre of the Exhibition will be topped by an observation tower 300 feet high, built on stilts near an illuminated loch, another of the show's big features.

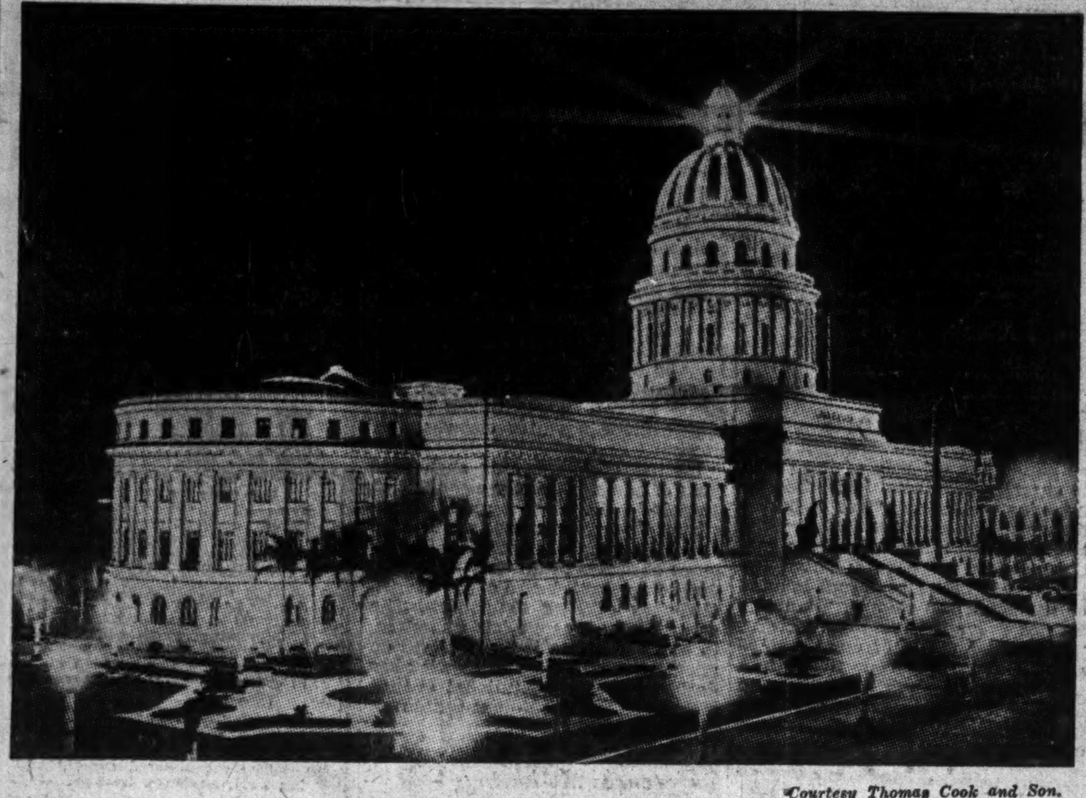
Exhibition organizers are now stepping up the pace of work and will soon have 1,500 men at work in an effort to complete the buildings by Christmas. It will take nearly to opening-time, however, to finish the interiors. Steel framework on the Exhibition's largest building, the Palace of Engineering, which covers five and a half acres, is already complete. The Palace of Industry is practically finished and all space in it has been sold, while some 30 other buildings are springing up rapidly in addition to those the dominions and colonies are building.

Miles of roadway are being laid out in the grounds, drains put in, pipes laid and a power station which will develop enough electricity for a community of half a million is being completed.

During the period of the fair arrangements are being made to have Canadian Pacific liners call at Glasgow en route to Liverpool.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping With the Times
220 Rooms

FALL SAILINGS
TO THE HOME LAND
VIA THE GORGEOUS ST. LAWRENCE
THE 39% LESS OCEAN TRAVEL ROUTE
Largest and Fastest Liners Sailing from Montreal and Quebec
From MONTREAL
Nov. 19—Duchess of Atholl
Nov. 24—Duchess of York
Nov. 25—Duchess of Richmond
Nov. 25—Montrose
Ask your TRAVEL AGENT, or E. F. Thompson, Steamship General Agent, Canadian Pacific Building, Toronto.
Visit the British Industries Fair, London and Birmingham, 21st February to 4th March, 1938
Canadian Pacific
WORLD'S GREATEST TRAVEL SYSTEM



A large proportion of the listed cruises to the West Indies for the winter season of 1937-38 include Cuba in the ports of call. Above—The 20-million-dollar national capitol at Havana.

Courtesy Thomas Cook and Son.

South African Springtime

Spring is nearing an end in South Africa.

As Canada prepares to dig itself in for the winter, this sister dominion in the southern hemisphere is offering its summer attractions to tourists.

South Africa has progressed far in recent years in the art of attracting tourist trade. She has something unique to sell to the traveller whether he is a sightseer or a big game hunter, and no stone has been left unturned to provide for his needs.

This stone turning must be taken figuratively only. In some sections a comprehensive programme of road building has actually accomplished the feat and opened new areas to the motorist, but many districts of the great plains are still rough riding for the car. Trips into this great veldtland, however, are worth it if the car can stand the strain. A good part of the primitive life of the country, both human and animal, is still untouched by civilization.

Sailings from U. S., Canada

Sailings to Capetown, the historic seaport of the Union, can be arranged from either Montreal or New York, while conducted tours, at frequent intervals, are listed by travel agencies. These tours have been arranged in co-operation with the South African Government and solve the problem of the traveller who is anxious to get the most out of a short space of time. Costs vary with the accommodation provided and range from $1,100 to $2,000.

South Africa, in the main, is a country of small towns set in the midst of wild uncultivated areas. Port Elizabeth, on the south coast, and Bloemfontein, capital of the Orange Free State, are two examples picked from a score of similar centres as typifying life in South Africa.

Rural life and the type of farms varies widely with the section of the country and its produce. On the Karroo, sheep farming is general. In Natal, roads wind through miles of sugar plantations. Northern Transvaal is a garden of tropical fruits of all kinds. The eastern Cape province is the great source of the orange shipments which are rivalling the Californian and Florida fruit in the Canadian market.

Travel Notes

New Ports of Call

The new ports to be visited by the Empress of Australia on a 32-day cruise starting from New York Jan. 15, are Rio de Janeiro, Brazil, and Saint George's, Grenada. Rio de Janeiro has never before been included in the West Indies cruise itinerary.

* * *

Atlantic City Hockey

Any foodstuff which can be used in supplying Thanksgiving dinners for needy families will be the price of admission at the exhibition game which opens the Atlantic City hockey season on Nov. 17. Picked players are being brought from New York and as the New York All-Stars will fight it out with the Atlantic City Sea Gulls. The fall months are bringing their usual invasion of golfers for the Atlantic City fall-winter golf season.

* * *

West Indies Cruises

Among cruises to the West Indies listed for the coming month from New York are:

Four days to Bermuda, S.S. Hamburg, Dec. 31.
Five days to Bermuda and Nassau, S.S. Bremen, Dec. 28; to Nassau, S.S Berengaria, Dec. 28.
Six days to Havana, S.S. Manhattan, Dec. 27.
Seven days to Bermuda and Nassau, S.S. Queen of Bermuda, Nov. 30, Dec. 9; S.S. Monarch of Bermuda, Dec. 16.
Eight days to Nassau and Havana, S.S. Rotterdam, Dec. 24; S.S. Transylvania, Dec. 24.
Nine days to Nassau and Havana, S.S. Vendam, Nov. 30; S.S. Carinthia, Nov. 24; S.S. Pilsudski, Dec. 23; S.S. Virginia, Dec. 24.
Twelve days to Nassau, Pt.-au-Prince, Kingston, Havana, S.S. Champlain, Dec. 21; to Havana, Colon, Kingston, Nassau, S.S. Columbus, Dec. 22; to Kingston, Cristobal, Havana, S.S. Empress of Britain, Dec. 24.
Thirteen days to Kingston, Cristobal, Havena, Nassau, S.S. Saturnia, Dec 23.
Fifteen days to La Guayra, Curacao, Cartagena, Cristobal, Kingston, Havana, S.S. Statendam, Dec. 18; to Bridgetown, Pt.-of-Spain, La Guayra, Colon, Havana, S.S. Kungsholm, Dec 18.
Sixteen days to Miami, Pt.-au-Prince, Kingston, Havana, Nassau, S.S. Stella Polaris, Dec. 18.
32 days to Barbados, Rio de Janeiro, Grenada, Venezuela, Jamaica—S.S. Empress of Australia, Jan. 5 (five days in Rio).

* * *

World Cruises

Among world cruises listed as sailing from New York are:

142 days—Franconia, Jan. 6.
128 days—Empress of Britain, Jan. 8.
136 days—Reliance, Jan. 9.
110 days—(terminating at Southampton), Stella Polaris, Jan. 21.

Dressing for a Cruise

Careful Selection of Clothing for Long or Short Trips Can Reduce the Cost Budget of the Trip

For the family planning a holiday cruise whether it be for two weeks or four months, clothes are an important factor. Inexperience may jump the initial costs to an appalling figure and cram the trunks with any number of useless articles which will be brought home unworn. Inexperience too may bring days and nights of discomfort to take the edge off the pleasures of the journey.

Travellers to the West Indies have a fairly simple problem. They are going to a warm sunny climate and the wardrobe does not differ very materially from what they would pick for the Canadian summer resort.

For the woman light dresses are, of course, included and one or two evening dresses for formal events on the boat or during shore excursions. In addition sports clothes are essential. The sports deck of the southbound liner will be the popular hang out after a few hours out from New York. Bermuda, Nassau or Havana provide plenty of scope for sea bathing or beach lolling so that the wardrobe should include swimming suit, beach robe and play suit. Nights, however, are sometimes cool on shipboard and light coats, and sweaters are advisable. The programme for the tour may include at least one masquerade for which the traveller should be prepared.

Male travellers to the tropics can reduce their wardrobes to white dinner jackets, light topcoats, swimming equipment and some form of sports wear. Linen or tropical worsted suits, however, are a good addition.

World Cruise

For world cruise passengers the problem is more complicated. During the four months away from home they will experience every degree of temperature from tropic heat to the cold of snow-topped mountain or glacier field. They leave New York in mid-winter and head for the gulf stream and the warm sun of the Mediterranean. Before they are home again they will have crossed the equator at least twice. They will have taken part in a long programme of social events on shipboard and will have walked miles on sightseeing trips ashore. All these things must be taken into consideration in packing trunks.

For both men and women world tourists, heavy and light travelling coats are indispensable. At least one pair of good walking shoes must be carried and light sports suits will get any amount of use.

Women should have at least two evening dresses and one or two masquerade costumes. Knitted suits of both light and heavy weight provide the best all round wear for ship and shore. Rain coat, and overshoes are almost essential equipment though they may be worn not at all during the trip. Bathing suits, beach robe and slippers should, of course, be included.

Flannels, sweaters, shorts, bathing suit and tennis shoes provide a good nucleus for the male member of the party. Linen suits, however, are again a valuable addition. Formal evening dress is not necessary. A dinner jacket black or white will fill the bill for all occasions.

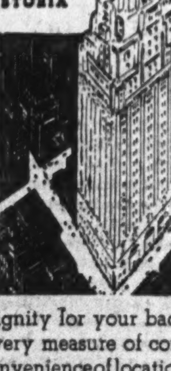
Auto Tourists

More than 1,000 motor cars owned by travelling Americans and Canadians have been transported to France this year according to traffic figures released by the French Lines. France has a greater mileage of roads in proportion to its area than any other country in the world.

U. S. Line Cruises

Judging by the advance bookings, great interest is being taken in the four special winter cruises of the United States Lines. The cruises range from six to 11 days on the "Virginia," Dec. 24 and Jan. 5; "Manhattan," Dec. 27; "Washington," Jan. 28. Ports of call include Nassau, Havana, and Kingston.

IN THE SMART EAST 50's
OPPOSITE THE WALDORF-ASTORIA



● Quiet dignity for your background. Every measure of comfort, plus convenience of location. Spacious rooms with serving pantries and electric refrigeration. Excellent restaurant and duplex cocktail lounge, air-conditioned.
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The Beverly HOTEL
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125 EAST 50TH STREET • NEW YORK

Canadians Join I.B.A. Gathering

Russell D. Bell Elected Canadian Governor for 3-year Term

By STAFF WRITER

WHITE SULPHUR SPRINGS.—A number of Canadians were present at the annual convention of the Investment Bankers Association of America which includes many of the Canadian houses in its membership.

An active participant in the proceedings was Russell D. Bell, partner of Greenshields & Co., Montreal, who has been elected as Canadian governor for the ensuing three-year period.

No other Canadian investment bankers came down from Canada, the appearance of a new Dominion loan having forced a number of partners to cancel their plans to attend. However, several of the larger firms were represented by the partners or managers of their New York offices and there were a number of former Canadians, now active in investment banking in this country, among those who registered.

These included:

FREDERICK B. ASHPLANT, Saunders, Ashplant & Co., New York.
FREDERICK W. CAMPBELL, Campbell, McCarty and Co., Detroit.
W. H. R. JARVIS, McLeod, Young, Weir & Co., New York.
EDWARD S. JOHNSTON, Wood, Gundy & Co., New York.
A. E. C. OXLEY, Dominion Securities Corp., New York.
GEORGE P. RUTHERFORD, Dominion Securities Corp., New York.
GORDON S. SAUNDERS, Saunders, Ashplant & Co., New York.

October Brokers' Loans Drop on Toronto Exch.

Collateral borrowings by members of the Toronto Stock Exchange were $23.4 millions at Oct. 31, 1937, a decrease of $6.2 millions from the end of September. These borrowings do not include loans on foreign securities nor borrowings of bond affiliates of exchange member firms.

Quoted market valuations of all stocks listed on the Toronto Exchange totalled $4,815.8 millions at Oct. 31, a decrease of $272.7 millions in the month. This makes a ratio of loans to market values of .59% compared with .68% a month earlier.

Swiss Industries Fair

The annual Swiss Industries Fair will be held at Basle from March 26 to April 5, 1938. The exhibits will, as usual, be housed in the seven halls forming the spacious and convenient fair buildings.

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BOOK NOW
For Your Winter Vacation
Bermuda and the West Indies
Inclusive trips arranged; Rail, Steamship and Hotel reservations secured.
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1867 • 1937 - - 70 YEARS OF CONFEDERATION

"THE YEARS HAVE BEEN GOOD TO US"

CANADA, this year, celebrates the 70th Anniversary of Confederation . . . that wise union of territories from which a Nation was born.

And on this 70th Birthday, Canada contemplates a marvelous record of progress and achievement. From a childhood, sired by the sturdy stock of pioneers, our Nation has grown to maturity and wisdom, ranking among the great nations of the world, honoured in their councils, living in Peace and Prosperity that are priceless blessings. . . .

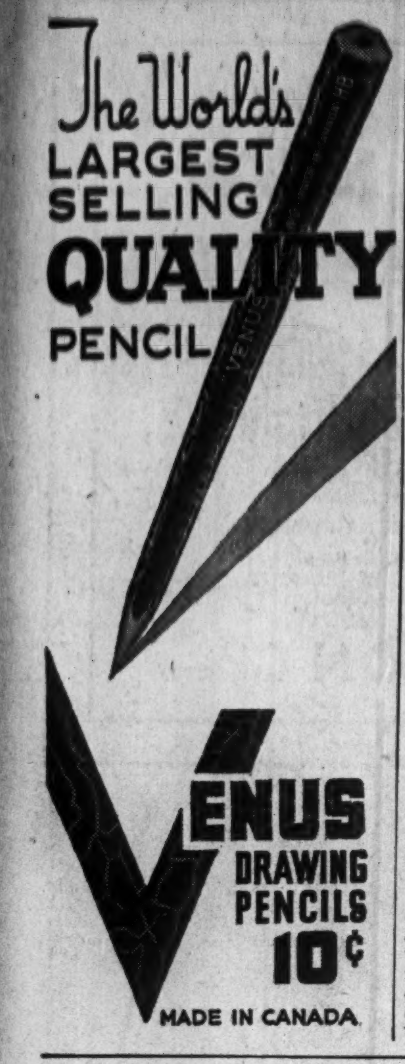
Study the record of development. The enterprise of Canadians has wrested from the great natural resources of our Land, in Fisheries, Lumbering, Mining and Agriculture, the foundations of a commerce that reaches to the far ends of the Earth. The ingenuity of Canadian Manufacturers has developed products that are welcomed in all the markets of the World. Canada, today . . . with a population relatively much smaller than other countries . . . ranks fifth among the Nations in international trade. . . . . . .

And the future is bright! Empire and foreign markets are eager for Canadian products. Canadian Trade Commissioners in 32 countries are ready to serve the exporters of Canada with trade and merchandising information. The Department of Trade and Commerce, which this year celebrates its 45th Anniversary, extends to Canadians every facility for the further development of Canada's trade abroad. . . . .

Take full advantage of these services. Let the great achievement of the past 70 years be the stepping stone to still greater progress in the future, so that each year we shall have still more cause to say: "Truly, the years have been good to us!" . . . .

HERE ARE THE ASTOUNDING FIGURES OF CANADA'S GROWTH SINCE CONFEDERATION

DEPARTMENT OF TRADE AND COMMERCE
HON. W. D. EULER, M.P., MINISTER Ottawa JAMES G. PARMELEE, DEPUTY MINISTER



The Voice of the Maritimes

The New Brunswick Resistance

Though New Brunswick has led resistance to revision of the Canadian constitution, Dr. Herbert L. Stewart notes a tendency toward compromise. Dr. Stewart, nationally known as CBC commentator on public affairs will in his next article discuss Prince Edward Island.

By HERBERT L. STEWART

Mellowing Tendency Noted in Provinces' B. N. A. Act Stand

A year ago, when constitutional revision was first seriously mooted, certain provinces — notably New Brunswick — showed considerable alarm. One became conscious again of the historic sensitiveness in the East to "over-centralization." Provincial autonomy was reproclaimed to be a sacred thing. But the New Brunswick Attorney-General has now advised the Legislature at Fredericton in a sense which lends more encouragement to revisionists. He said:

"It may be that out of mutual discussions and studies will come a desire on the part of the provinces to transfer to the Central Government some matters which now fall within their legislative competence. If unanimity were reached, such changes could readily be brought about by amendments to the British North America Act."

Despite the use again of that ominous word "unanimity," this passage has a new tone; and, as I shall try to show, the ominous word may this time be merely tactical. Moreover, in the June number of The Canadian Bar Review, Professor Vincent C. MacDonald, Dean of the Dalhousie Law School, who speaks with high legal authority for Nova Scotia, has declared the need for such constitutional reform to be "absolute and urgent."

Has a change passed, suddenly, over this intractable East? Is there now a willingness to risk those perils of over-centralization? The new compliance may spring from reflections fundamentally the same as those which prompted the old resistance.

To settle this point is to penetrate far into the Maritime disposition at the present time.

• • •

B. N. A. Cracked, Strained

Professor Dibelius, of Berlin, that keen German critic of our changing world, has spoken of "the eternal patchwork that is the sign-manual of reform in England." Not only in England: also in all countries, to which the British constitutional usage has supplied a pattern. Everywhere a struggle to "reinterpret"; to keep the old rule, but to adjust it by some novel application, so that it will permit or even enjoin what it was formerly understood to forbid! A great device this has surely been, to safeguard "stability" while admitting reform. But it has its limits. What has now been realized in Canada, even in provinces traditionally slow to move, is that the method of patching has been stretched to the very last degree of its usefulness, and yet has left vital reforms still impossible. The British North America Act has been suffering what Froude said had befallen a religious Creed, "cracked and strained by three centuries of evasive ingenuity." With acknowledgment for its provisional services, the evasive ingenuity must now be discontinued.

This, surely, is what the spokesman for New Brunswick meant when he hailed the collapse of the effort to override provincial legislation by invoking the Federal "treaty rights." Not that his province had a word to say against the merits of the particular reform proposed; but it objected very radically to such method of achieving the reform. "Had this method prevailed," said Mr. McNair, "the charter rights of our province and the liberties of our Legislature would have been subject to invasion at will." It sounds like the argument in the United States Supreme Court controversy.

• • •

Social Legislation

The point will be made clear as we recall the concrete circumstances out of which this constitutional challenge arose.

Last January it was settled, beyond the possibility of further legal question, that the Dominion Parliament has no power to enact (a) a weekly rest in industries; (b) minimum wage; (c) limitation of working hours; (d) insurance against unemployment; (e) compulsory state machinery for the marketing of natural products. The Judicial Committee, with whom lies the last word, has told us that these enactments, if they are to be made at all, must be made province by province. For those, then, who think such "New Deal" imperative in Canada, it remained to consider (i) What is the chance of securing identical legislation in the nine provinces? and (ii) What would be the value of such changes in one province, or in a few provinces, at a time?

The answer to these two queries is obvious. Interests are so different that identical legislation on such matters is in the last degree unlikely. And no province could handicap its own industrialists by imposing such severe requirements from which the competitor elsewhere is exempt.

Instead of abandoning such projects of advance (surely a counsel of despair in the present social emergency) it is proposed so to refashion our constitutional system as to remove obstacles in the way. It is here that complaint is heard of the alleged obstinacy of New Brunswick. The surest way, someone has remarked, to block progress is by insisting on unanimity. And New Brunswick has declared that constitutional change must have the unanimous consent of the provinces.

• • •

Differences Mellowing

It was at a provincial conference that this bold defiance was uttered. Now, conferences have not, for some time been very fertile. But their general sterility should have been relieved by the acquisition, through them, of at least one sort of knowledge—a knowledge of the original differences, mellowing into considerate harmony, with which opposing parties confer.

New Brunswick, it is fair to assume, came to that table of interprovincial exchange in a mood of indignation over the attempt to invade provincial rights by a still further reinterpreting of the British North America Act. She was not alone in this resentment: Ontario and Quebec were at least equally aroused. Not one of the three could yet forget, in the exultation of the judicial victory, that its privileges had been imperilled. New Brunswick differed from Quebec and Ontario only in the swift emphasis with which she gave a warning notice for the next step. "Remember that you can make no change unless we all agree. We stand on our contractual right." As recently as 1930, Ontario—in another reference—had said the same thing.

Such reminder of legal powers often comes from a party to a negotiation who has no thought whatever of invoking them. It is as much a tactical move as the first price named in a market, by traders in a commodity for which the demand is still doubtful. The proper response, as all negotiators on the small scale very well know, is a quiet, genial offer. So this time there should be a truce to the sharp recrimination we have heard about New Brunswick obstinacy.

Before considering what must be done if we are not unanimous, and if we cannot become so, let us examine whether the difficulty is more than theoretical. Let us take up the concrete suggestions. Perhaps, as a matter of fact, we shall be found to desire the same things, or at least to be willing for the same things, so that the question of a remedy for the unpleasant alternative does not arise.

The eloquent Attorney-General, who has in this matter represented a dissenting province, now contemplates the likelihood of a fruitful issue to "mutual discussions and studies." It is not unfair to guess that he contemplated this from the first, but bore in mind the principles of negotiating policy.

• • •

Unity From Contention

It would indeed be strange if, here in the Maritimes, we should be found to have developed an implacable determination to keep the British North America Act exactly in its original form. Shades of our old Secessionists! Complaining of the B. N. A. Act has rather been held to be our Maritime foible. Here in eastern Canada we want at least, as eagerly as any other province, such measures of social advance as are now, constitutionally, impossible. Well indeed do Maritimers realize that what must wait for unanimity is foredoomed. But no less clearly do they appreciate the need, in all change, for taking account of local circumstance. It was what was feared as a threat to this which drew forth an exaggerated Shylock-like emphasis on a purely contractual security.

But no more in New Brunswick than anywhere else is social advance going to be obstructed by "what is written in the bond." And here, by the strangest of paradoxes, out of sharp apparent contention may come a new unity. Provinces so different as New Brunswick, Ontario and Quebec, each insisting on its separate rights, may thus develop a deeper mutual understanding. If they do, what is this but the paradox of the original Confederation repeating itself?

The Key is Yours!

STEP INSIDE...TRY THE RIDE

IF you want to acquaint yourself with beauty, unmatched in the low-priced field. If you would experience handling ease *no other low-priced car can offer*. If you hope to make your new car dollar go farther than it ever did before. See "Pontiac for 1938" . . . and *take the wheel, just once!*

You will find it a thrilling experience . . . a revelation in fine car comfort and convenience that can be yours at a trifling difference in cost. For 1938 prices start so near the very lowest with a new Special Six . . . *the lowest-priced Pontiac in history!* In common with De Luxe models, the Special combines the newest advancements including the *SAFETY SHIFT* Gear Control . . . *an exclusive feature* You shift gears at the flick of the fingers . . . without removing a hand from the wheel. Here's *handling ease new to the world.* The wide front seat is perfectly "built-for-three" because there's no gear shift lever to "tangle" the legs of the middle passenger. Even the emergency brake is under the cowl. Floors are level and unobstructed, front and rear. Your nearest Pontiac dealer has a car waiting for you now. See and drive it! Prove to yourself that for 1938, *Pontiac again outvalues the field.* The General Motors Instalment Plan provides payments to suit your purse.

GENERAL MOTORS PRODUCTS P-288

See the 1938 Pontiacs at Your Pontiac Dealer's, and at the National Motor Show Nov. 6th to 13th.

Municipal Costs Reverse Trend

Reduction in Expenditure Shown in Reports of 16 Cities

Expenditures of 16 representative Canadian cities showed a decrease in 1936 for the first time since 1922, when compilation on the present basis began, according to a bulletin issued by Citizens' Research Institute of Canada. The decrease in 1936 as compared with 1935 was \$2.1 millions, disbursements having been reduced to \$159.5 millions from \$161.6 millions, although still \$30.6 millions higher than in 1929.

On a per capita basis, a figure of \$54 was reported in 1936 as against \$55.80 in 1935. The totals represent expenditures for municipal and school purposes after deduction of any revenues received from provincial governments. Total current relief expenditures, whether funded or not, are included, but not the costs paid by the provinces and Dominion, nor the debt charges on relief expenditures incurred in previous years.

Expenditure on education, which includes schools and libraries, continued to increase slightly in 1936, but is still lower than in 1932. This item is the largest in the municipal budget, being 33.7% of the total taxation in 1936. Debt charges in 1936 were \$57.7 millions or 35.6% of the total expenditure, as against \$58.8 millions in 1935. Protection of persons and property cost the taxpayer slightly more, but expenditure on highways and bridges was again cut materially.

Direct relief is included under "charities and correction," on which the 16 cities spent \$28.3 millions in 1936. This was a small increase over the amount reported in 1935, but \$10.7 millions greater than the 1932 total. Of the 1936 amount \$13.9 millions was funded, contributing to the percentage of total taxation required for debt service, which averaged 42.3% in 1936. Vancouver, Victoria and London were the only cities in the survey which did not issue debentures for at least a portion of their relief expenditures.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, DOMINION OF CANADA)

and All Subsidiary Companies

REPORT OF DIRECTORS

TO THE STOCKHOLDERS:

Your Directors submit herewith their Ninth Annual Report on the operations of the Company and its Subsidiaries for the fiscal year ended July 31st, 1937, together with a Consolidated Statement of Earned Surplus and Profit and Loss, and Consolidated Balance Sheet as at July 31st, 1937, as certified by Price, Waterhouse & Co.

The operating profits for the fiscal year ended July 31st, 1937, were \$7,444,258.00, after all taxes, administration, advertising and selling expenses, compared with \$4,208,673.75 for the previous fiscal year. After deducting dividends of \$562,500.00 paid on Preferred Stock this is equivalent to \$3.95 per share on 1,742,645 shares of the Company's Common Stock outstanding, against \$2.42 per share on the same number of shares in the preceding year. Earned Surplus at July 31st, 1937, showed an increase of \$5,785,418.48 over July 31st, 1936, after making provision for the total commission and expenses (\$1,096,339.52) in connection with the issue of \$15,000,000 Preferred Stock in November, 1936.

Net sales for the year amounted to \$81,872,168.48 representing an increase over the previous year of \$21,286,251.77 or over 35%, chiefly due to the large increase in the sales of whiskies by your American subsidiaries. The established policy of your United States subsidiaries in producing and marketing quality blends has been rewarded by the steadily increasing demand for blended whiskies in the past year. This trend towards blends is in keeping with the position occupied by blended whiskies prior to Prohibition, when they enjoyed an overwhelming preference. Your Canadian subsidiaries' sales again show a satisfactory increase over last year.

The distilleries at Lawrenceburg, Indiana and Louisville, Kentucky, were considerably affected by the unprecedented floods that occurred last spring along the Ohio River. Your Directors are gratified to report that the facilities available at these distilleries proved of considerable assistance to the various relief organizations and were the means of alleviating much suffering by the unfortunate victims of the disaster. Our Lawrenceburg distillery was used for hospital, commissary and general relief purposes by the Red Cross and other welfare organizations. Our Louisville distillery was enabled by its modern equipment to supply pure water and electric energy to the local hospitals in order that they might carry on during the emergency.

Unfortunately, the Company, in connection with tax-paid whiskies lost, repairs to plant and equipment, materials and supplies, etc., rendered unusable, and other expense, incurred a loss of \$775,292.95 as a direct result of the floods, which has been charged against the earnings of the past fiscal year. We believe we have a just claim for taxes and duties paid on the whiskies lost, which we are hopeful of recovering.

The consolidated current and working assets of your Company at July 31st, 1937, exceeded all liabilities including bank advances by \$32,555,996.93 an increase of \$17,881,636.79 over last year.

During the fiscal year net capital expenditures totalling \$3,379,667.69 were made chiefly in connection with the completion of the Louisville Plant, consisting of two distillery units together with warehouses and other plant facilities and the construction of additional maturing warehouses and the extension of plant facilities at the distilleries located at Lawrenceburg and Relay. Our major construction programme is now practically complete and no further capital appropriation of considerable magnitude is contemplated.

The outlook for your United States subsidiaries has been further enhanced by the acquisition shortly after the close of the fiscal year of the trade name and goodwill of Carstairs Bros. Distilling Co. The name Carstairs since 1788 has always stood for high quality in the whisky business and should prove to be a very valuable factor in our future plans.

The large increase in sales previously referred to in this report compelled the continuance of the policy of building up substantial reserves of whiskies to protect, in years to come, brands advertised and sold by your subsidiary companies throughout the United States and Canada and thus maintain our position in the quality market. It is considered that our reserve stocks are now sufficient to take care of our requirements based on current sales.

Since the entry of your Company into the United States the earnings of the Company have been used for the purpose of first inaugurating and then consolidating our position in that market by building up substantial inventories of whiskies in bonded warehouses for aging in wood, and also for necessary distillery construction, additions and warehouses. Additional funds were also provided through bank loans. Your Directors in October last felt that the development of the Company had reached a stage where it was desirable that the bank loans so used should be converted in part to a more permanent form of financing and on November 2nd, 1936, 150,000 Shares of Cumulative Preferred Stock 5% Series of \$100.00 par value per share were sold to a group of underwriters. The net proceeds of this issue were used to retire bank loans.

Additional funds required for general corporate purposes have been provided for under agreements with a group of your Company's bankers on satisfactory terms.

Your Directors are pleased to record their appreciation of the loyalty of the officials and employees of the Company. Special commendation is due those who gave their untiring efforts in relieving the suffering of the unfortunate victims of the Ohio River floods.

ON BEHALF OF THE BOARD OF DIRECTORS,
SAMUEL BRONFMAN, President.

Montreal, October 30, 1937.

Consolidated Balance Sheet, July 31, 1937

(EXPRESSED IN CANADIAN CURRENCY)

ASSETS

Current Assets:		
Cash in Banks and on hand	\$ 5,311,225.01	
Accounts receivable after providing for doubtful accounts	9,298,173.65	
Contracts for future purchases of grain (approximate market value \$147,875.00)	150,750.00	
Inventories of whiskies and spirits as shown by Government records, warehouse reports and physical inventories, valued at cost including duty, taxes and freight where such have been paid, and inventories of raw materials and supplies at cost of purchase	38,740,100.52	
		\$53,500,249.18
Unexpired Insurance and other items chargeable to Future Operations		522,059.44
Investments in and Advances to other Companies:		
Investments (unquoted), at cost less reserve	\$ 486,681.61	
Advances	15,000.00	
		501,681.61
Land and Buildings, Plant, Machinery and Equipment, at cost with the exception of certain properties, which are carried at depreciated reproductive appraisal values of \$886,192.51 and \$109,549.69 as determined by the Canadian Appraisal Company at November 1, 1926, and February 28, 1929, respectively, plus subsequent additions at cost	\$17,255,015.60	
Less: Reserves for depreciation and amortization	4,000,100.34	
		13,254,915.26
Trade-Marks, Bottling and Blending Rights and Goodwill stated at the excess of the declared value of 1,500,000 shares of Distillers Corporation-Seagrams Limited issued in March 1928, in exchange for the entire issued capital of Joseph E. Seagram & Sons, Limited and Distillers Corporation Limited over the net tangible assets of those companies as shown by their books at the date of the exchange, plus subsequent additions		10,529,576.92
		\$78,308,482.41

LIABILITIES

Current Liabilities:		
Notes Payable to Banks	\$ 2,150,000.00	
Accounts payable and accrued liabilities	3,997,306.16	
Dividend on Cumulative Preferred Stock, payable August 2, 1937	187,500.00	
Liability under contract for future purchases of grain (see contra)	129,041.60	
Provision for Federal, Provincial, State and Municipal taxes in Canada and the United States	2,502,463.93	
		\$ 8,966,311.69
Advances under Bank Credit Agreements (Unsecured):		
Maturing July 12, 1939	\$ 7,500,000.00	
Maturing November 2, 1941	5,000,000.00	
		12,500,000.00
Capital Stock:		
Cumulative Preferred Stock:		
Authorized by Supplementary Letters Patent granted October 15, 1936: 200,000 shares of Cumulative Preferred Stock of the par value of \$100.00 each United States currency	\$20,000,000.00	
Issued during the year ending July 31, 1937: 150,000 shares of Cumulative Preferred Stock 5% series of the par value of \$100.00 each United States currency redeemable at the option of the Board of Directors at \$105.00 per share United States currency		15,000,000.00
Common Stock without nominal or par value:		
Authorized:		
2,000,000 shares as at July 31, 1936		
300,000 shares authorized by Supplementary Letters Patent granted October 15, 1936		
2,300,000 shares		
Issued:		
1,742,645 shares without nominal or par value		19,202,426.79
NOTE: Options covering 30,000 shares of Common Stock at \$22.00 per share have been given to certain officers of United States subsidiary companies. Warrants to purchase until October 31, 1941, 150,000 shares of Common Stock at \$28.00—\$32.00 per share have been issued to the holders of the Cumulative Preferred Stock 5% series.		
Earned Surplus, as per statement attached		22,639,743.93
NOTE: In addition to the liability for taxes included in the above consolidated balance sheet, taxes, computed at present rates, of approximately \$871,000.00 (including \$311,000.00 applicable to the earnings of the current fiscal year) would be exigible on the receipt by the Parent Company of the total combined net surpluses of subsidiary companies in the U.S.A. The necessity for a complete distribution of these combined net surpluses may never arise, and the policy will be followed of providing for such taxes, as may arise, in the fiscal year in which dividends are received by the Parent Company.		
		\$78,308,482.41

Approved on Behalf of the Board:
S. BRONFMAN, Director.
W. B. CLELAND, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the consolidated balance sheet of Distillers Corporation-Seagrams Limited and its subsidiary companies as at July 31, 1937, and of the consolidated statement of earned surplus and profit and loss for the year ending on that date. In connection therewith we examined or tested accounting records of the companies and other supporting evidence and obtained all the information and explanations which we required; we also made a general review of the accounting methods and of the operating and income accounts for the year, but our audit of the detailed transactions was confined to limited tests thereof.

We report that in our opinion, based upon such examination the above consolidated balance sheet is properly drawn up so as to exhibit, in accordance with accepted principles of accounting consistently maintained by the companies during the year under review, a true and correct view of the state of the combined affairs of Distillers Corporation-Seagrams Limited and its subsidiaries as at July 31, 1937, and that, the attached statement of consolidated earned surplus and profit and loss correctly sets forth the results of operations for the year ending on that date; according to the best of our information and the explanations given to us and as shown by the books of the companies.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, October 16, 1937

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFIT AND LOSS FOR THE YEAR ENDING JULY 31, 1937

(EXPRESSED IN CANADIAN CURRENCY)

Earned surplus, balance July 31, 1936			\$16,854,325.45
Sales, less freight and allowances		\$81,872,168.48	
Less: Cost of goods sold		57,722,446.40	
		\$24,149,722.08	
Miscellaneous income, discounts, exchange, etc.		107,970.47	
		\$24,257,692.55	
Selling, general and administrative expenses	\$12,713,656.55		
Directors' fees	2,000.00		
Salaries of Executives including those of Subsidiary Companies	319,365.87		
Legal fees	188,028.99		
Interest (net)	523,820.07		
Provision for depreciation (see footnote)	130,204.79		
Loss on disposal of capital assets	70,171.90		
Provision for loss on investments (net)	73,266.20		
Loss resulting from flood in the U.S.A. (Materials, supplies, etc, rendered unusable, repairs to plant and equipment, and other expenses)	775,292.95		
		14,795,807.32	
Profit before provision for income and profits taxes		\$ 9,461,885.23	
Provision for income and profits taxes		2,017,627.23	
Balance of profits for the year ending July 31, 1937			7,444,258.00
			\$24,298,583.45
Deduct:			
Dividends on Cumulative Preferred Stock 5% series		\$ 562,500.00	
Commission and expenses in connection with the issue of Cumulative Preferred Stock 5% series		1,096,339.52	
			1,658,839.52
Earned surplus at July 31, 1937, per balance sheet			\$22,639,743.93

NOTE: Depreciation provided during the year amounted to \$825,749.53 of which \$695,544.74 has been charged to cost of production and \$130,204.79 as above.

South Africa to Produce Pulp from Sugar Cane

From Our Own Correspondent

MONTREAL. — Interests in Durban, South Africa, have formed a company to exploit a secret process for the manufacture of paper pulp from cane bagasse. This substance, which consists of fibre after the sugar has been extracted from it, is at present used as fuel for the furnaces in sugar factories.

A considerable amount of experimental work in the new process has been done by Natal Estates Ltd.

The new company has been registered and one of its chief objects is to purchase from E. A. Ritter, the inventor, the right to use and exploit in all parts of the world other than Africa, south of the Equator, the process for the manufacture of pulp, capable of being made into paper, newsprint, cardboard and the like.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXI — Member of Audit Bureau of Circulations — ★ PUBLICATION OFFICE: TORONTO, NOVEMBER 13, 1937 ★ — 10c a Copy; $5.00 a Year — No. 46

Your Dollar — And Mining

Industry Weighs the Harvest as 1937 Open Season Closes In Canada's North — Roll of New Producers

By WILFRID SANDERS
Mining Editor, The Financial Post

Apart from a Government bond issue, and perhaps an Irish Sweepstake, there are few public causes to which Canadians will subscribe funds more readily, or in such volume as to the Canadian mining industry.

Take Ontario. In that leading mineral province, in the period from January 1, 1935, to September 1, 1937, no less than 681 mining companies and syndicates had their shares and units qualified for sale. Even this figure does not represent the number of companies formed, because many sold their stock privately, or never advanced beyond the charter stage. These 681 concerns represented an authorized capitalization of $1,500,000,000, which tremendous sum represented, in turn, the potential volume of mining activity over the short space of 20 months.

Of course by no means all of this $1,500,000,000 was converted from stock into cash. Much was vendors stock; many shares remained unsold, and of the stock sold, few shares, if any, were sold at par.

Unfortunately, no agency makes itself responsible for keeping track of just how much money is actually raised from the public for mining operations year by year. That the sum is enormous, however, is plainly indicated by the above figures.

This enormous public interest in mining fluctuates, of course, from time to time, and if a chart of public enthusiasm could be drawn over a period of years, it would naturally be found to parallel, very closely, the ups and downs of mining stock prices.

Indices Touch New High

In the past 12 months, the various indices of mining market activity have reached higher levels than ever before, with the result that public enthusiasm has attained record intensity. The fact that at time of writing, this enthusiasm has waned, is not of long term significance, inasmuch as there is no reason in the world for predicting that it will not come back again.

If one were perched on Mars just now (and with general conditions on this planet what they are, one can think of less attractive spots to be) one would notice a white blanket moving slowly from the poles of the earth southward over Canada's northland. This marks the end of what the mining man calls another season. Freezing lakes and rivers slow up the tempo of transportation, and cause a definite and sharp (usually about 3 weeks) demarkation between winter and summer mining activities. It is generally a period of stock taking in the industry, when summaries of the season's work and accomplishments are prepared and forwarded to head office. It gives the industry an opportune time to sit back and see just what progress it has made, which prospects have made good, and which have failed.

Production Gains

One way of gauging the degree of success attained is, of course, through production figures. Canada is today producing more gold, nickel, copper, zinc, platinum, asbestos, aluminum, oil and structural materials than ever before. On the basis of production reports to date, it can be estimated that Canada will produce minerals to the value of well over $400 millions in 1937, making it a record year, and showing a substantial improvement over the $361 millions produced last year.

But the average investor or speculator is not so much interested in gross production figures, as he is in individual companies, be they mines or prospects. It is with this phase of the season's work that this article will attempt to deal.

New 1937 Producers

Company	Prod.	Ton. Cap.	Area
Ontario			
Algold Mines	Gold	100	Algoma
Algoma Summit	Gold	250	Algoma
Bankfield Mines	Gold	125	Little Long Lac
Delnite Mines	Gold	200	Porcupine
Gold Eagle	Gold	125	Red Lake
Lebel Oro	Gold	100	Sudbury
Leitch	Gold	75	Beardmore
New Golden Rose	Gold	100	Temagami
Shenango	Gold	25	Algoma
Sturgeon River	Gold	85	Sturgeon River
British Columbia:			
Buena Vista	Gold	700	Portland Canal
Durango	Gold	100	Ymir
Quebec			
Aldermac	Cop.-gold	1,000	Beauchastel
Normetal	Cop.-zinc	500	Abitibi
Sigma Mines	Gold	500	Bourlamaque
Manitoba			
Gurney Gold	Gold	125	Cranberry Portage

Mills Under Construction

Company	Prod.	Ton. Plan.	Area
Ontario			
Hard Rock	Gold	200	Little Long Lac
Kerr-Addison	Gold	500	Larder Lake
MacL.-Cockshutt	Gold	300	Little Long Lac
Moneta Porc.	Gold	200	Porcupine
Raven River	Gold	50	Larder Lake
Sand River Gold	Gold	75	Beardmore
Tombill Gold	Gold	100	Little Long Lac
British Columbia			
Euphrates Min. Co.	Gold-silver-lead	200	Kootenay
Greenbridge	Gold	100	Grandforks
Quebec			
Sladen Malartic	Gold	250	Malartic
Nova Scotia			
Nova Scotia Gold	Gold	100	Tangier
Saskatchewan			
Cons. Min. & Smelt. (Box Property)	Gold	1,000	Athabaska
Northwest Territories			
Cons. Min. & Smelt. (Con. Group)	Gold	100	Yellowknife

Reverting for a minute to the 681 companies and syndicates formed in Ontario since January 1, 1935, it would be interesting to see what number have "made good." Generally speaking, a mine makes good when it comes into production with somewhere in the neighborhood of two years supply of commercial ore ahead of the mill. This is the ultimate goal of every prospect and while the terms "production" and "commercial" vary in meaning greatly under different circumstances, a property's degree of success may be measured by its progress toward this goal.

Of the 681 companies whose stock has been authorized for sale by the Ontario Securities Commission, 47 have come into production. Seven have stopped production, leaving a residue of 40 new mills, from 681 companies formed. The remainder have not all thrown in the sponge, and several new mills may still be expected from the 681 concerns. But the fact remains that only about 5.8% of the mining concerns formed in the last two and a half years have actually come into production.

Even this figure, incidentally, is considered a good average. This history of gold in Ontario started in 1909, with the discovery of the Porcupine. Since that time thousands and thousands of mining concerns have been formed. Yet by 1934, only 46 mines were producing, and of these 46, 12 stopped production in the next two years. So that the record of successes in recent years has been very much better than formerly, a fact which should not be overlooked by those who maintain that the tighter securities regulations "stifle" the mining industry.

16 New Mills

Getting a little closer to more recent months, a tabulation prepared by The Financial Post, and published on this page, shows that since January 1 of this year some 16 new mills have started operation in Canada, both base metals and gold, and 13 more are under construction, with production planned before the end of this year, or early in 1938. Several more are considering mill construction.

No really new field has been discovered in the past 12 months in any of the provinces, although the Zeballos area, on Vancouver Island, is at the present time attracting considerable attention, owing to the high grade nature of the assays obtained. In Ontario and Quebec, development work has been centred largely on the older fields.

If the mining industry were to adopt the custom of doing honor to the outstanding area of the year, it would be a difficult year in which to make an award. The Larder Lake field in northeastern Ontario would probably be a candidate for the honor, but would meet with stiff opposition from Ontario's Little Long Lac area, and Quebec's Cadillac-Malartic belt.

Larder Lake, which flared into prominence before Kirkland Lake, and has made a sensational comeback after 30 years retirement, is at present the site of two new mills under construction. Both these properties, Kerr-Addison Gold Mines and Raven River, were mere prospects 12 months ago, and although not yet established producers, must be classified with those properties which have "made good" by coming within striking distance of the production goal. It is expected that Kerr-Addison will be in production by April of next year, on a 500-ton per day basis. No recent estimate of ore reserves has been made, but in June last reserves were estimated at 600,000 tons developed and partially developed to a depth of 50 feet below the 300 foot level. An additional 400,000 tons had been indicated by diamond drilling to 500 foot depth. Since that estimate was made, work on the 700 foot level has been indicative of much greater tonnages.

Raven River Gold Mines, which has had satisfactory results from developing the veteran Harris-Maxwell property of Proprietary Mines, is bringing in a 50-ton mill.

Little Long Lac

While the Larder Lake camp was perhaps the most noteworthy area in Ontario for the year, the Little Long Lac camp has made solid progress, having contributed one producer already this year in Bankfield Gold Mines, in addition to the original producer, Little Long Lac Gold Mines. Hard Rock Gold Mines, MacLeod-Cockshutt Gold Mines and, further west toward Beardmore, Tombill Gold Mines, are all building mills. These four properties have all grown from prospects to producers and near producers in the course of the past 12 months. While not strictly subject matter for this article, since it graduated from the prospect class three years ago, mention should be made of the large scale tonnage increase at the original producer, Little Long Lac Gold Mines, which is now handling 300 tons, as compared with an average of slightly over 200 tons in 1936.

Other Ontario properties which, with all due caution, may be said to have made good in the past 12 months are not confined to any one area. Delnite Mines, a subsidiary of Sylvanite, the Kirkland Lake producer, started a 200-ton mill on its property in Deloro Twp., Porcupine area, in June, 1937, and is now in regular production, treating ore grading approximately $7 per ton.

Algoma Summit Gold Mines, in the Goudreau district, graduated from prospect to producer this year, and plans to increase production, although open pits are reported to be supplying most of the millfeed at present. Leitch Gold Mines, near Beardmore, was last year a prospect and is today producing with a 75-ton mill. Other 1937 producers are shown in the accompanying table.

Preston East Dome and Moneta Porcupine, on the latter of which a 200-ton mill is being constructed, are both properties which have had outstanding success in the past season with their development programmes, and may be said to have graduated from the prospect class. Cline Lake Gold Mines, O'Brien's subsidiary near Lochalsh, Ont., has also been much in the news this season, and has been one of the most rapidly developed prospects in the province, already being groomed for production, although the company was only formed in August, 1936.

Jack Hammell's new operation at Uchi Lake, in the Patricia section, and known as Uchi Lake Gold Mines, has been one of the developments of the year for Ontario. Initial work on this property was done with private funds, the public being invited to participate only when the property was ready for underground work. While Uchi Gold Mines is still a prospect, and no plans have been made as yet for drilling, it should be included in a survey of those prospects which have had a good year.

Quebec's Base Metals

Quebec's success has been chiefly in the base metal group, as far as new producers are concerned, although, of course, headway in developing its gold prospects has been attained. Aldermac Copper Corp., although more than a prospect a year ago, is now in regular production as a copper-sulphur producer, on a large tonnage basis. Normetal Mining Corp., formerly Abana Mines, started production last September at an initial rate of 250 tons, to be raised to 500 tons. This is a copper-zinc proposition.

In the Quebec golds, Sigma Mines, a subsidiary of Porcupine's Dome Mines, has had a splendid year, having started producing in March with a substantial backlog of ore. Sladen Malartic, which is constructing a 250-ton mill, and East Malartic have both made good progress. Lapa Cadillac Gold Mines has also been outsanding in moving toward the production goal.

In Manitoba, development of outstanding importance was the resumption of milling operations by Sherritt Gordon Mines. While not strictly a new producer, because of its short period of production prior to June, 1932, this copper-zinc property was idle for four years, owing to lowered copper prices. Operations were resumed early in 1936, and the mill reopened in August last. Tonnage being handled now amounts to about 1,500 a day.

Gurney Gold Mines, in Cranberry Portage area, is the only actually new producer, its 125-ton mill having been started up last month. Last year this property was an out and out prospect.

Lake Athabaska Field

One of the interesting areas of the year has been the Lake Athabaska field, where operations of Consolidated Mining & Smelting Co. have been the major development. On its Box property, which was staked a little over two years ago, a 1,000-ton mill is now being constructed on a fairly low grade property. This is a tangible achievement, in view of the comparative remoteness of the area, which is in the far north of Saskatchewan. Consolidated Smelters is also starting to erect a 100-ton mill on the Con group, in the Yellowknife area of North West Territories. Since both these operations have been financed by Smelters' funds, they represent the achievement of public funds only indirectly.

British Columbia mining men have often pointed out that no new area of major importance has been located in the province since the Taylor-Windfall strike of 1921. Judging from early reports from the Zeballos River field on Vancouver Island, this stock complaint may soon have to be changed. Zeballos River first gained real prominence this year.

In the northern part of the province, the property of Buena Vista Mining Co. has just been brought into production with funds supplied largely by Consolidated Smelters. This is another prospect which has made good, and in a large way, since initial milling rate is 700 tons per day.

In the southerly part of the province, some 8 miles from Ymir, the property of Durango Gold Mines has been brought into production this year on a 100-ton per day basis.

Looking at Canada as a whole, the season must be considered as a successful one, despite the failure to discover any major new field. It is evident that today, new properties are being brought into production on a bigger initial scale than formerly. A few years ago, any property which started production at an initial rate of over 100 tons was an exception. The tables published elsewhere show that the average new tonnage this year is considerably higher than 100 tons.

Bankfield Consolidated—a 1937 Debutante

It Takes Beef to Make Mines—Flying in Supplies

$150 Will Outfit a Prospector

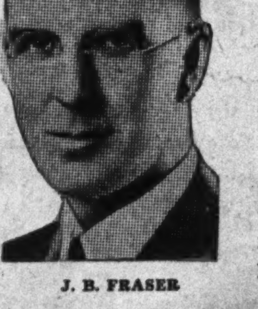
This Entourage is Headed For Red Lake

Job Seeks the Man

J. B. Fraser, executive research consultant, of Toronto, finds a shortage of men equipped for executive posts exists today, and in the following article discusses the situation.

By J. B. FRASER

In the June 19th issue of The Financial Post there appeared an editorial, entitled "The Junior becomes the Chief." It said, among other things, "Every junior who enters a Canadian bank carries in his pocket a key that will unlock the general manager's desk."



J. B. FRASER

This is true, not only in banks but in almost every other phase of Canadian business and industry. It is true first, because there is a general inclination to encourage ambitious and capable juniors to develop their talents for higher and more responsible jobs; second, because there is a pronounced dearth of executive timber in Canada today.

Speaking from experience in locating and placing executives, I find the market for administrative talent has been turned topsy-turvy. The hunter has become the hunted. Good jobs are seeking good men—with so few qualified takers that businessmen are wondering who gobbled up all the smart people before they got around to making their bid for brains.

Big enterprises and small enterprises are in the brain market—for every kind of executive — advertising managers, sales managers, merchandising managers, comptrollers, technical engineers, production specialists and general managers. And the troubles these businessmen are having to find what they want make the Labor of Hercules seem like the daily output of a pygmy on a government employment project.

It is not a question of being tight with the purse strings. The salaries offered are substantially above the 1933 scale. They are fully 85% of the abnormal 1929 level, and about even with the salaries paid in the years just prior to the depression epoch.

Furthermore, bonus offers figure heavily. Arrangements for extra rewards upon production of profitable results are general. There is a twofold purpose behind this. First, it puts fairly elastic limits on what an executive can earn when he makes good, and so it is a worthwhile inducement to come into the fold. Second, the elasticity of a bonus arrangement provides a cushion in the (heaven forbid) event of another slump. Salary schedules may be left intact while cash outgo is adjusted to the business's declining revenues by automatic reduction or elimination of bonuses proportionate to the loss of sales income.

There is no question of age limits. Businesses are surprisingly liberal about that ticklish factor. Lower down in the executive scale, of course, youth is distinctly an asset. But as you go farther up the scale the matter of years is subordinated to questions of experience and maturity of judgment.

Major executives, therefore, are acceptable from lower middle age to seasoned maturity. It is the grey matter inside the skull rather than the grey hairs outside that counts.

In fact, a little age and a lot of experience are regarded as a distinctly saleable combination. The idea seems to be that anybody who survived the depression and made a good record (comparative with standards of the time) has been taught valuable lessons. He has become toughened. He knows all the answers now, if he did not before.

Conversely, people who were unable to hang on in business when the going was hard are not in active demand. Maybe it wasn't their fault. Family responsibilities or other factors may have induced them to take jobs outside their regular work when jobs were scarce. That is their hard luck today. But the others, those who managed to approximately hold their course, are better off today. For instance, a general manager may have tided himself over by taking charge of an office that could have been tucked into the corner of his old business residence. A publicity director may have become a plain, hard-working advertising man; or a divisional merchandise manager may have fitted himself in as a branch sales manager. The telling factor is that they stuck by administrative work, and now administrative work will stick by them.

What are the qualities for which real money is being bid?

A good record through the depression is one. A sense of the social trend is another—and that is being stressed as tremendously important. Whether an executive is capable of handling the sale or manufacture of radios, shows, hardware or food products, the demand is the same. He must know and understand that intangible thing called "Public Relations."

The executive who is wanted today is not the swivel-chair man of old, whose experience

(Continued on page 16)

Unpaid Arrears Grow Faster Than Payments

Preferred Arrears Paid So Far in 1937 Total $6.7 Millions — Seven Companies Settle in Full

Declaration of $2.9 millions of preferred dividend arrears by three companies during the past week makes timely a review of the whole dividend arrears situation. How much more of this deferred income is in store for Canadian shareholders? How many companies have been forced to postpone payments, and how many are now staging a come-back?

The three companies were, Aluminium Ltd. with a declaration of $20 per share, involving $2.5 millions and wiping out arrears altogether; Canadian Car & Foundry, which will pay out $141,557 at the rate of 50 cents on each preferred share; and Canada Wire and Cable, whose arrears are now reduced to $10 per share with the current contribution of $6.75, amounting to $194,879. All these companies are enjoying substantially better business this year.

Cash Payments Substantial

Cash payments of $6.7 millions have been made so far this year by 32 companies, of which seven have cleared up arrears in full. In addition to Aluminium, the others in this group are, Frost Steel & Wire, Gordon & Belyea, Greening Wire, Ontario Steel Products, Riverside Silk, and Zimmerknit Co. International Utilities has paid off all back dividends on the $7 and $3.50 prior preferreds, although arrears are left outstanding on the $1.75 and class A preferred stocks. These eight companies have declared back payments totalling $4.1 millions.

Dividend Arrears Payments During 1937*

	Per share $	Amount $
Aluminium Ltd.	27.75	3,470,026
Anglo-Norwegian	3.50	39,865
Canada Bread (B))	.25	6,250
Canada Cement	1.00	200,869
Can. Wire & Cable	16.50	476,371
Can. Car & Fdry.	.50	141,557
Can. Wirebound (A)	1.37½	75,823
Dom. & Anglo Invest.	2.50	33,750
Easy Wash. Machine	.70	5,042
Frost Steel & Wire	21.00	176,609
Gordon & Belyea	.75	1,053
Gould Pumps	6.00	44,850
Greening Wire	7.00	45,500
Hamilton Cottons	1.00	19,012
Int. Utilities, 1st pref.	4.00	43,956
Do., $3.50 pref.	2.00	217,674
Invest. Foundation	.75	44,683
Lake of the Woods	7.00	105,000
Loew's London	.35	11,809
Marcus Loew's	1.75	11,442
Monarch Knitting	1.00	7,500
Nat. Grocers	5.25	155,043
North Star	.17½	35,000
Ont. Steel Prod.	23.25	83,679
Riverside	1.75	60,550
St. Lawrence Corp.	1.00	297,633
Sherwin-Williams	7.00	242,200
United Fuel	4.00	360,000
Standard Steel (A)	3.00	29,368
Twin City	7.00	210,000
United Corp. (A)	3.00	19,281
Wood, A. & J.	5.25	34,125
Zimmerknit	7.00	17,500
		6,723,020

*Including payments declared to Nov. 5, but not yet made.

In spite of the handsome showing made this year, however, the unpaid total continues to grow, and is now estimated by The Financial Post at $128.6 millions. This, it should be pointed out, includes a number of companies whose main operations are not in Canada, but in whose securities there is investment interest here.

Public Utilities Lead

Public utilities make up 30% of the list, with arrears of $36.2 millions, and this group is followed by pulp and paper, whose over-expansion of the 1920's is reflected in a $31.2 million total. Iron and steel, though in third place, lags well behind at $16.1 millions. Altogether, 128 companies are included in the estimate, from which have been omitted most of the real estate companies, and a number of small concerns in other groups.

Preferred Dividend Arrears by Industries

	$
Amusement	1,122,012
Construction	8,828,450
Foodstuffs	3,376,571
Investment Trusts	11,237,577
Iron and steel	16,100,088
Merchandising	1,913,612
Milling	7,197,742
Pulp and paper	31,278,378
Public utilities	36,200,637
Textiles	2,074,843
Miscellaneous	9,258,096
	128,588,006

Some obvious conclusions are reached from a study of the above tables. Many of the arrears will be fully paid in cash, for business improvement has been general, and many companies report steadily increasing profits. In some cases reorganizations are indicated, with preferred stock and arrears to be exchanged for new securities of junior equity, or arrears at least capitalized.

In other instances the outlook is not good, and it it seems likely that equity reductions will be more serious. In this class are found companies which were financed on inflated values in the boom days of 10 or 15 years ago, and whose earning power has never justified such capitalization; companies whose equipment or methods are becoming obsolete at rates too rapid to permit of adequate allowances; and companies which have the misfortune to be placed in industries whose problems are too great for the individual to solve.

Arrears Still Growing

It is perhaps disquieting to note that arrears of preferred dividends are accruing faster than they are being paid off. Payments due each year by six of the larger companies, for instance, are greater than the $6.7 millions which more prosperous concerns have paid up this year.

Preferred Dividends in Arrears Estimated to Nov. 5, 1937

	Yearly rate $	Arrears per share $	Amt. of arrears $
Amusement Securities:			
Allen's Theatres	8.00	87.75	378,115
Hamilton United	7.00	15.75	124,094
Loew's London	.70	2.45	82,665
Mansfield Theatre	7.00	35.00	262,500
Marcus Loew's	7.00	42.00	274,638
			1,122,012
Construction Securities:			
Brantford Roofing	7.00	43.00	322,500
Canada Cement	6.50	30.87	6,200,826
Cons. Oka Sand	7.00	40.25	282,434
Cons. Sand & Gravel	7.00	38.25	349,758
Int. Paints (Canada)	1.00	6.50	273,000
Interprov. Brick,			
Class A	8.00	80.00	118,320
Class B	8.00	96.00	288,288
Nat. Sewer Pipe	2.40	9.00	249,858
Sherwin-Williams	7.00	7.00	242,200
Stand. Paving	7.00	38.25	501,266
			8,828,450
Foodstuffs Securities:			
Acme Farmers Dairy	7.00	33.25	232,750
Blue Ribbon Corp.	6.50	10.12	151,041
Broder Canning Co.	7.00	45.50	39,449
Canada Tea Co.	7.00	64.25	110,124
Citizen's Dairy	7.00	59.50	42,840
Crescent Creamery	7.00	30.50	305,000
Eastern Dairies	7.00	32.25	831,250
Edmonton City Dairy	6.50	4.00	30,932
Holsum Packing	.70	5.59	58,466
Moirs Ltd.	6.00	18.00	175,500
Muirhead's	.75	4.00	22,168
National Grocers	7.00	26.25	775,215
Silverwood's	.40	.60	87,000
Toronto Dairies	7.00	35.00	36,050
United Dairies,			
1st pref.	6.50	23.63	177,745
2nd pref.	6.00	37.50	150,000
Willard's Chocolates	6.50	10.12	151,041
			3,376,571
Investment Trusts Securities:			
Aldred Investment	6.00	42.00	210,000
Can. Int. Invest.	5.00	21.25	353,813
Dom. & Anglo Inves.	5.00	5.00	67,500
Dom.-Scottish Inves.	2.50	5.25	257,964
Gt. Brit. & Canada	5.00	37.50	1,500,000
Invest. Bond & Share	6.00	42.00	735,000
Invest. Foundation	3.00	5.75	114,942
London-Can. Invest.	5.00	30.87	6,200,826
Second Stand. Royal	.12	.67	1,677,347
United Corp.	1.50	1.87	120,185
			11,237,5[illegible]
Iron & Steel Stocks:			
Amalg. Electric	3.00	21.00	224,679
Beach Foundry	7.00	42.00	506,872
Beath & Sons, W. D.	1.60	11.80	1,180,000
Bissell, T. E. & Co.	7.00	49.00	98,882
Canada Wire & Cable	6.50	10.00	288,710
Can. Car & Fdry.	1.75	6.50	1,840,248
Candn. Vickers	7.00	56.00	1,120,000
Disher Steel	1.50	7.50	93,803
Easy Wash. Machine	.70	.70	5,043
General Steel Wares	7.00	47.25	2,126,250
Hamilton Bridge	6.50	34.13	746,594
Internat. Metal	6.00	33.75	1,525,702
MacKinnon Steel	7.00	34.12	162,070
Massey-Harris	5.00	35.00	4,231,465
Morrison Brass	3.50	21.88	656,400
Nova Scotia Steel	8.00	110.00	1,100,000
Sarnia Bridge	2.00	13.50	162,000
Standard Steel	3.00	3.00	29,370
			16,100,088
Merchandising:			
Freiman, A. J., Ltd.	6.00	6.00	315,756
Holt, Renfrew Co.	7.00	35.25	352,500
Lindsay, C. W., Co.	6.50	30.88	148,595
Piggly Wiggly (Can.)	7.00	17.50	146,038
Robin, Jones & Whit.	6.00	43.50	368,880
Stop & Shop	.60	2.75	15,276
Wentworth Radio	6.50	42.25	126,750
Wood, A. & J. Ltd.,			
1st pref.	7.00	38.50	250,250
2nd pref.	7.00	89.25	189,567
			1,913,612
Milling Securities:			
Alberta Pacific	7.00	52.50	1,575,000
Bawlf Grain	6.50	43.88	877,600
Canada Bread (B)	2.50	2.37	59,250
Canadian Bakeries,			
1st pref.	6.50	43.50	397,155
2nd pref.	6.50	49.00	490,000
Dominion Bakeries,			
1st pref.	6.50	45.50	329,875
2nd pref.	6.50	48.75	102,375
Federal Grain	6.50	45.50	1,365,000
Inter-City Western	.60	4.50	175,500
Lake of the Woods	7.00	7.00	105,000
North. Am. Elevators,			
1st pref.	7.00	29.75	93,921
2nd pref.	7.00	54.75	164,250
Three Rivers Grain	6.00	12.00	36,000
Western Can. Flour	6.50	24.12	582,016
Western Grain	6.50	42.24	844,800
			7,197,742
Public Utilities:			
Associated T. & T,			
$7 preferred	7.00	34.51	1,207,850
$6 preferred	6.00	29.58	2,218,500
$4 preferred	4.00	23.00	1,150,000
$4 A preferred	4.00	23.00	2,806,000
Canadian Hydro	6.00	9.50	1,187,500
Can. Public Service	6.50	17.37	188,291
Cities Heating Co.	7.00	56.00	56,000
City Gas & Electric	7.00	29.73	21,941
Dom. Gas & Electric	7.00	6.75	168,750
East Kootenay	7.00	45.50	455,000
Foreign Power Sec.	6.00	33.00	1,650,000
Internat. Hydro,			
1st pref.	3.50	11.37	1,623,625
Class A	2.00	11.00	9,423,898
Internat. Power,			
1st pref.	7.00	34.75	2,780,000
2nd pref.	6.00	64.50	1,290,000
Internat. Utilities,			
$1.75 pref.	1.75	7.43	703,680
Class A	3.50	21.00	2,605,302
N. B. Power,			
1st pref.	7.00	66.25	662,500
2nd pref.	7.00	105.00	367,500
Mexican L. & P.,			
1st pref.	7.00	45.50	2,730,000
2nd pref.	6.00	26.00	1,482,000
Twin City Rapid	7.00	19.25	577,500
United Fuel	6.00	42.24	844,800
			36,200,637
Pulp & Paper Securities:			
Abitibi Pwr. & Pap.,			
1st pref.	7.00	43.75	437,500
2nd pref.	6.00	39.00	13,603,902
Alliance Paper	6.00	42.00	421,470
Anglo-Can. P. & P.	7.00	52.50	4,200,000
B. C. Pulp & Paper	7.00	43.75	243,338
Canada Paper	7.00	45.00	562,500
Great Lakes Paper,			
A pref.	2.00	4.00	400,000
B pref.	2.00	4.00	400,000
Minnesota & Ont.	6.00	40.50	1,634,580
St. Lawrence Corp.	2.00	12.50	3,720,412
St. Lawrence Paper	6.00	39.75	5,654,676
			31,278,378
Textiles Securities:			
Hamilton Cotton	2.00	7.00	133,084
Mercury Mills	6.00	42.00	420,000
Monarch Knitting	7.00	49.16	368,700
Tooke Bros.	7.00	43.75	430,937
Woods Mfg. Co.	7.00	47.25	722,122
			2,074,843
Miscellaneous:			
Anglo-Norwegian	7.00	17.50	202,825
Brantford Cordage,			
2nd pref.	7.00	35.00	119,000
Can. Breweries	3.00	4.25	694,569
Can. Consol. Felt	7.00	149.50	747,500
Can. Wirebound Box	1.50	2.25	124,074
Claude Neon Advtg.	7.00	40.25	950,101
Copland Brewing	7.00	66.50	166,250
de Havilland	6.50	14.62	131,580
Dunlop Rubber	7.00	45.50	257,575
E. Can. Steamships	2.00	14.00	260,708
Eau Claire Mills	7.00	40.25	109,279
Evans, Coleman & Gillies	6.50	14.62	131,580
Goulds Pumps	7.00	34.25	256,018
Honey Dew	7.00	40.25	603,750
Mount Royal Hotel	6.00	43.00	2,930,837
North Star	.35	.35	70,000
New Method L'ndry.	6.50	16.25	40,625
Prairie Cities Oil	1.00	7.50	375,000
Premier Laundry	7.00	49.00	63,700
Ruddy, E. L., Co.	7.00	40.25	309,925
Windsor Hotel	6.50	36.56	713,200
			9,258,096

Federal Govt. Revenues Up $52 Millions

Total Expenditure Shows Little Change from Last Year

During the first seven months of the current fiscal year there was an improvement of $53.3 millions in the budget position of the Dominion Government. For the seven months ended Oct. 31 the Government reports a surplus of $45.5 millions as compared with a deficit of $7.8 millions in the same period of 1936.

This improvement is almost entirely due to buoyant revenues resulting from increased business activity. Revenues for the period were $52.9 millions higher while total expenditures, ordinary and capital, were only $441,000 lower than in the corresponding period of last year.

For the month of October there was a budget improvement of $3.7 millions, an increase of $1.7 million in expenditures being offset by an advance of $5.4 millions in revenues.

Relief Down $10 Millions

Relief expenditures for the seven months were $10.7 millions lower than in the previous year, but this is offset by an increase of $9.8 millions in ordinary expenses.

October returns indicate a definite trend toward higher ordinary expenditures, there being an increase of $4.8 millions in this classification while relief costs dropped $3 millions. The increase in ordinary expenditures in October is largely accounted for by an additional provision of $2.4 millions for old-age pensions, $1.6 million for special subsidies to Manitoba and Saskatchewan and an increase of $500,000 in defense expenditures.

Balanced Budget Not Certain

Providing a temporary recession in business is avoided, resulting in a slowing up of the rate of increase in tax receipts, it would appear that a balanced budget for the current year is in sight. Such a result, however, cannot be predicted with any degree of certainty. A slackening in business activity would probably mean that relief expenditures would have to be increased above their present level. In any case relief costs will probably exceed budget estimates due to expenditures in the western drought area. In October, the Government spent over $1 million for drought area relief, compared with $175,000 in the same month of last year.

Loans and investments made during the seven-month period amounted to $12 millions, a reduction of $44 millions.

Dominion Government Revenue and Expenditure Seven Months Ended Oct. 31

	1937 $000's	1936 $000's	Change $000's
Receipts:			
Customs duty	57,111	46,827	+10,284
Excise duty	31,836	27,562	+ 4,274
Exc. & sales tax	101,607	79,917	+21,690
Income tax	99,030	82,838	+16,192
Post office	18,274	17,142	+ 1,132
Sundry	11,039	12,402	— 1,363
Special	860	124	+ 736
Total revenue	319,757	266,812	+52,945
Expenditures:			
Ordinary	217,929	208,060	+ 9,869
Capital	2,532	2,737	— 205
Relief	23,761	34,477	—10,718
C.N.R. deficit	29,250	28,500	+ 750
Harbor Board	526	643	— 117
Write-off	181	203	— 22
Total expend.	274,179	274,620	— 441
Month of October			
Receipts:			
Customs duty	9,490	7,674	+ 1,816
Excise duty	4,462	4,150	+ 312
Exc. & sales tax	17,119	14,359	+ 2,760
Income tax	3,615	3,263	+ 352
Post office	2,401	2,300	+ 101
Sundry	1,593	1,573	+ 20
Special	153	30	+ 123
Total revenue	38,833	33,349	+ 5,484
Expenditures:			
Ordinary	43,479	38,630	+ 4,849
Capital	531	186	+ 345
Relief	3,141	6,240	— 3,099
C.N.R. deficit	*50	......	— 50
Harbour Board	30	295	— 265
Write-off	46	16	+ 30
Total expend.	47,147	45,367	+ 1,780

*Credit.

Cons. Paper Corp. Want Lumbermen

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. will employ a large number of able-bodied unemployed men in Montreal, provided transportation is arranged from Montreal to the woods in the Lower St. Lawrence region.

The city is quite willing to see these men taken from the relief rolls, but is not in a position to provide transportation. However, negotiations are being opened up with the Provincial Government

Stock Price Averages Lower than a Year Ago

Liquors and Construction Record Gains Over October, 1936—Loss on 504 Listings More Than $500 Millions

Liquor stocks and construction issues are still above the average price levels existing one year ago. This is revealed through study, by groups, of all stocks listed on the Toronto Stock Exchange.

Average price of 16 liquor stocks as at Oct. 30, 1937, is up 6.41% from the average of 14 similar issues one year earlier. Construction issues, which are usually regarded as among the last to move up in a recovery movement, registered a net advance of 2.46%, from the relatively low levels of Oct., 1936. During the year they were given some impetus by the Home Improvement Plan.

With these two exceptions, all groups are lower than they were at the end of October last year. Gains registered in late 1936 and the spring of 1937 have been wiped out, and replaced by losses.

Junior golds lost 52.1% of their average price of one year ago, while gold prospects and senior golds are among the heavy losers, with declines of 40.82% and 36.5% respectively. Gold stocks had enjoyed an extended rise, commencing early in 1933, which had carried them to proportionately higher levels than industrials by Oct., 1936. Their losses show the effect of the gold scares earlier this year. Then, too, rising costs over the past year would normally tend to hold back gold stocks, as gold commands a fixed price, and the gold mining companies cannot readily offset the effect of increased expenses. New additions to the group during the year helped to reduce the average price. For example, the six stocks advanced to senior rating had a lower average price than the 11 stocks already in this category.

Base Metals and Oils Drop

Base metals have declined 36.85% from their Oct., 1936, level, while gas and oil issues are 28.31% below their average price of a year ago. In the latter group, number of listings increased from 23 to 40, and a large proportion of the new stocks were priced below the average price of those previously listed.

The finance group is 8.52% below last year's October average, while food issues show a 15.35% loss. Other industrials, such as textiles, utilities, motors and allied industries, are not far below the Oct., 1936, level.

Listings Increase

Total market value of 504 listings stood at $4,816 millions as at Oct. 30, 1937, compared with a valuation of $5,560 millions placed on 453 issues one year ago. One month ago, Sept. 30, 1937, 501 listings were valued at $5,088 millions.

The total of 504 listings as at Oct. 30, 1937, represents a net addition of 51 stocks in the space of one year. Gas and oil group contributed 17 stocks to this increase, while senior golds added six issues and nine stocks were added to the miscellaneous industrial list.

The percentage change in the following table is based on the average price of each group, rather than on total market value, to minimize the effect of new listings added during the period. Other factors such as stock splits, consolidations, and the addition of new stocks priced above or below the group average, have not been eliminated, so that the percentage change does not represent the movement of stock prices only.

	No. of Issues Oct. 30 1937	No. of Issues Oct. 31 1936	Average Price Oct. 30 1937	Average Price Oct. 31 1936	% Change
Base metals	18	15	$10.66	$16.88	—36.58
Construction	48	44	37.83	36.92	+2.46
Finance	25	21	133.69	146.14	—8.52
Foods	51	48	36.77	43.44	—15.35
Gas & oils	40	23	1.19	1.66	—28.31
Golds, senior	17	11	12.23	19.26	—36.50
Golds, junior	41	44	.80	1.67	—52.10
Gold prospects	55	52	.29	.49	—40.82
Liquors	16	14	18.75	17.62	+6.41
Misc. industrials	78	69	38.33	39.02	—1.77
Misc. mines	38	39	1.10	1.37	—19.71
Motors and allied	7	7	50.80	52.00	—2.31
Oils	18	17	23.48	28.66	—18.07
Textiles	25	24	42.78	51.30	—1.66
Utilities	27	25	36.07	36.98	—2.46
Totals and averages	504	453	27.15	29.53	—8.06

Construction

H. I. P. Loans Exceed $11 Millions for Year

Repairs and Modernization Work Inspired by Plan Estimated at $50 Millions — Spurt in Last Two Weeks Swells Total

Canada's Home Improvement Plan ended its first year of operation on Oct. 31 with a record of 28,275 loans granted for a total outlay of $11,001,817. Recalling that the Plan did not become fully effective for some months after its inauguration, in some regions promotion being delayed until spring, officials in charge are gratified at the results.

Expectations that the year would end with the loan total definitely below $11 millions were upset by a distinct acceleration of loans during the last two weeks of October. The record of the first half of last month dropped to 1,248 loans aggregating $494,778, but the final portion of October produced a total of 1,589 loans amounting to $616,782.

Totals for the year by provinces were:

	No. of Loans	Amount
Ontario	12,072	$4,702,025
Quebec	4,328	2,105,293
British Columbia	3,083	1,000,417
Alberta	2,226	951,553
Nova Scotia	2,337	736,021
Manitoba	1,903	714,959
New Brunswick	1,201	418,308
Saskatchewan	789	275,694
Pr. Edw. Island	356	97,542
Total for Dominion	28,275	11,001,817

Inspired Other Work

An official bulletin from Ottawa headquarters stresses the point that the $11 millions total fails to reflect completely the effect of the plan in promoting construction work in the residential improvement field. It is estimated that for every $1 borrowed under provisions of the H.I.P. and spent for home improvement, $4 were spent by persons who either did not have to borrow or arranged loans through other channels.

This ratio forms the basis for an estimate that the total of expenditures for modernization and repairs promoted by the H. I. P., approximates $50 millions.

This total equals the limit fixed for the aggregate of H. I. P. loans, supported by the 15% Government guarantee, over an indefinite period. With the Plan more solidly established and steadily gaining momentum, it is anticipated that the total of H. I. P. loans during the coming year may rise above $15 millions.

Should it gain headway still more rapidly it may be necessary for the Government to consider extending the limit of its guarantee.

Factor in Higher Index

In the absence of separate statistics on employment given through repairs and improvements to dwellings, it is difficult to estimate exactly the amount of work given through operation of the plan. Officials believe, however, that the Plan has contributed in no small measure to the 40% advance of construction activity over 1936, and to the rise of the construction industries employment index figure from 109 on Sept. 1, 1936, to 144.5 on Sept. 1 last.

Commenting on the results of the plan in residential areas of Canadian communities, the bulletin of the National Employment Commission says:

"Homes have been made cleaner, brighter, safer, more sanitary. In many cases a fire hazard has been eliminated by the timely installation of modern heating or lighting facilities. Old materials have given place to new, and many drab, shabby homes now appear in an attractive guise due to the simple miracle of fresh paint.

"The Home Improvement Plan starts on its second year not as an untried and experimental project, but as a proved method for helping the home owner, builders, and the unemployed."

Bowater Plans New Pulp Mill

Negotiate With Government on $6 Million Plant in Newfoundland

From Our Own Correspondent

MONTREAL. — Bowater-Lloyds Co., of England, is negotiating with the Newfoundland Government for the construction of a $6 millions sulphite pulp mill in the Gander Lake district, according to announcement by R. W. Ewbank, Commissioner for Natural Resources, in the Island Government.

Present plans are that the mill will have a capacity of 226 tons daily, providing employment for 300 workers in the mill and an additional 2,000 men in the woods. The plant would be ready for operation by 1940.

Bowaters is seeking the right to export raw pulpwood equal to three quarters of the capacity of the mill. Under an existing agreement, they can export 120,000 cords of pulpwood.

If agreed to by both sides, the plan would also provide for operations in Labrador where 3,000 square miles of timberland would be leased.

Canada Wire Cuts Arrears

Better Earnings This Year Reduce Preferred Arrears to $10 a Share

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Co. has declared a dividend of $6.75 a share on account of arrears on the preferred stock, payable Dec. 1 to shareholders of record Nov. 18. This declaration will involve a distribution of $194,879 on the 28,871 shares outstanding.

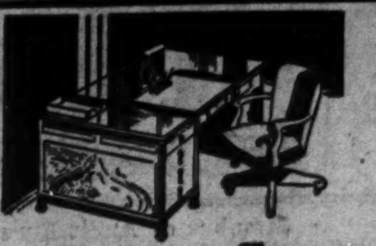
As at Dec. 15 next, after taking into account the above payment, arrears of dividends on the preferred stock will amount to $10 a share.

Current operations of Canada Wire and Cable are on a substantially improved scale. During the first six months of the year, sales were 75% greater in dollar value than for the like period in 1936.

More Business on Books

At the end of June unfilled orders were 144% greater than a year ago. At the time this statement was issued, the management stated that it was not expected that the same relative improvement would be shown for the second half of 1937, although continuance of the present volume is anticipated for the remainder of the year.

During the first half of the year the company had a gross income of $718,256 and a net profit of $476,967. This was equivalent to $16.52 a share on the preferred, as against $12.19 a share for all of last year.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Construction

Uniform Code May Regulate Construction

Fire Commissioner and Research Council Attack Problem

From Our Own Correspondent

OTTAWA.—A uniform construction code to govern Canadian building may come sooner than is foreseen by the widely diversified industries interested in such a development.

Two Federal agencies are now energetically enlisted in the promotion of such a project. One is the office of Dominion Fire Commissioner, over which J. Grove Smith presides. The other is the National Research Council, of which Maj.-Gen. Andrew L. MacNaughton is chairman.

The aim of the Fire Commissioner's office is drafting of specifications and regulations which might reasonably be put in force by all municipalities within two years or less. The National Research Council is concerned with scientific testing of building materials with a view to defining standards in each field—which conceivably may take a number of years and a considerable expenditure of Federal money.

Fire Losses Cut

The Dominion Fire Commissioner's energetic campaign to abate fire hazards has been a factor in reducing the Dominion's fire loss from $60 millions in 1919 to $21 millions last year. Over the same period average insurance premiums have dropped from $1.11 to 69 cents per $100 worth of insurance.

Commissioner Smith has always contended, however, that emphasis should not be placed upon existing hazards alone, but that attempts should be made to see that new buildings did not constantly multiply other hazards in place of those which were being eliminated. Thus he instituted the agitation for a uniform code of construction regulations. A committee of provincial fire marshals was formed and an attempt made to draft model regulations.

An obstacle was encountered in the fact that adequate research facilities were not available for testing the various building materials submitteed for approval. This was partially overcome by the establishment of a laboratory in Montreal where roofing materials were tested.

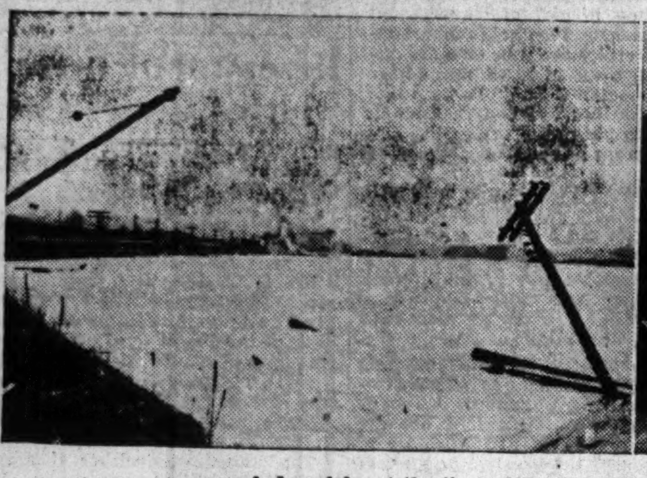
National Committee

At the recent meeting of the Dominion Fire Prevention Association, a resolution was passed setting up a national committee to draft "model advisory building and fire prevention ordinances for the information and guidance of municipal authorities." The hope of the national committee is to have model specifications and regulations ready before the end of the present year. It is expected that it will require another year for the municipalities to approve them and make them effective.

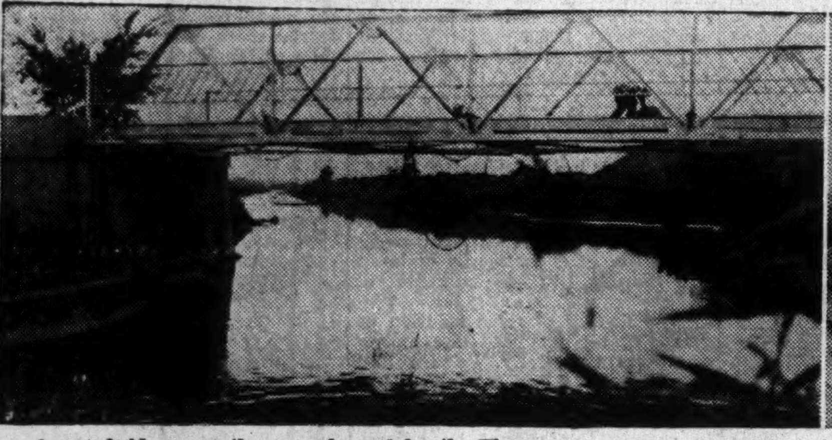
The uniform code will primarily be the result of combined efforts of the Dominion Fire Commissioner's office, provincial fire marshals, municipalities, and the commercial interests affected. Supplementing this, the National Research Council is embarking upon an elaborate programme of research into the entire field of building materials. It will make possible the setting of standards for every branch of construction, from the standpoint of fire prevention, endurance of construction, safety, comfort, and allied considerations.

The necessary organization of scientists to carry out the tests which the Research Council proposes is now being assembled.

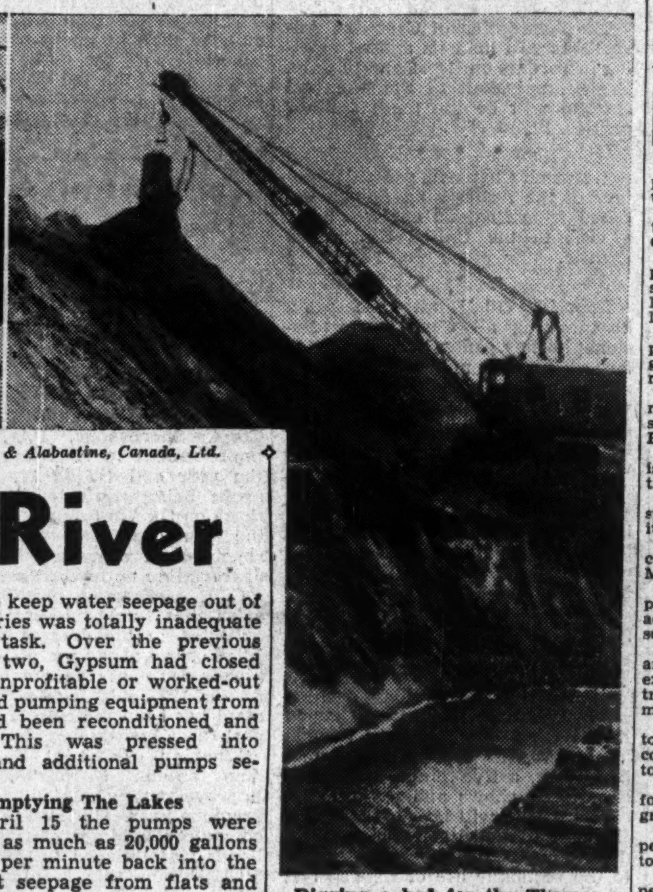
On April 27 many feet of water covered —the road leading to the plant above.



A deep lake at the time of the flood —has been transformed into a busy quarry today.



A new bridge over the new channel for the Thames.



Digging a bed for the Thames.

Pictures by Gypsum, Lime & Alabastine, Canada, Ltd.

Rolling Back the River

By A. D. ELLWOOD
Staff Writer, The Financial Post

Flood Menaced Firms Build New Bed for Ontario Waterway

How industrial concerns can take action to minimize the danger of recurring floods is being shown this year by Gypsum, Lime & Alabastine, Canada, Ltd., and North American Cyanamid Ltd., both of which operate important lime quarries at Beachville, Ont., in a district suffering heavy damage from floods last April. The two companies have taken their own flood control measures which, in this case, means digging and protecting an entirely new channel for the Thames River where it flows for almost a mile through their properties.

The Thames for most of the year is about 50 feet wide at this section and winds in and out through the two properties. In the floods of last spring it became a roaring torrent 500 to 600 yards across which swept away protecting dikes and brought a loss of thousands of dollars.

In 1936 Gypsum, Lime and Alabastine had made an attempt to cut off the river's meanderings to prevent just the catastrophe which overtook it last April. The accompanying pictures show how futile half measures may be. The project now under way will provide a new and straight river bed well away from quarries and plant.

A Major Diversion

Magnitude of the task which these two concerns have undertaken is indicated by the following details of the work:

Length of new river channel..	4,950 feet
Width (narrowest point of upper bank)	130 feet
Height of north dike	18 feet
Width of scouring channel taken to rock	70 feet

The south side of the dike consists of the natural bank and is not an even line so that the river may be any width. The natural slope of this south bank will permit the river to rise far above its normal level without flooding any property that can be damaged.

Working 16 Hours a Day

Of all the quarries owned by Gypsum, Lime & Alabastine, Canada, Ltd., only the one at Beachville was operated on a 16-hour a day schedule at the time of the floods.

From April 21 to 25, 4.59 inches of rain fell in Beachville compared with 24.63 inches in the entire year 1936. In the forenoon of April 26 the rising torrent broke through the dike and the first quarry started to fill. By five p.m. that day 350 million gallons of water had turned two major quarries into the lake, at some points nearly 40 feet deep.

It was April 30 before the river had receded far enough to permit repairs on the dikes. These were replaced by May 4 sufficiently to permit a start the next day on pumping out the water.

Pumping equipment normally employed to keep water seepage out of the quarries was totally inadequate for the task. Over the previous year or two, Gypsum had closed several unprofitable or worked-out plants and pumping equipment from these had been reconditioned and stored. This was pressed into service and additional pumps secured.

Emptying The Lakes

By April 15 the pumps were throwing as much as 20,000 gallons of water per minute back into the river, but seepage from flats and neighboring quarries was pouring in at almost the same rate. It was not until June 15, a little over six weeks after the flood, that the compressor, stone crusher and other equipment, which had been under 25 feet of water at the bottom of the main quarry, were cleared. In this time it was estimated that the pumps had handled 600 million gallons of water.

Lime is not a product that can be stored for more than two or three weeks, because of a tendency to "slake" from exposure to the moisture of the air. Complete stoppage of shipments to many of the company's customers, such as mining companies and newsprint manufacturers, would have meant a loss of production to them as well as a heavy loss to Gypsum.

A section of an unused quarry on higher ground was opened on May 5 and sufficient limestone removed by temporary equipment and hand labor to keep the kilns working at partial capacity. Wash-outs on the railway tracks made it impossible to do any switching of freight for four days on the company's siding. During this period the heat generated by the action of the water on three carloads of unslaked lime burned the wooden freight cars in which it was stored.

Officials of Gypsum, Lime & Alabastine are unwilling to give an estimate of the amount of the loss suffered, but it is known to have run into many thousands of dollars.

Lower Cost Units Promoted by Act

Average of Housing Loans Shows Steady Decline

The proportion of low-cost houses among the home building projects being financed through the Dominion Housing Act is steadily increasing, according to a bulletin issued by Finance Minister Dunning.

Out of a total of 194 dwelling units financed under the Act during October, 115 involved loans for amounts of $4,000 or less, and 73 of these were for amounts of $3,000 or less. The average loan per unit in regard to all loans financed since inception of the Act in 1935 now stands at $4,309, and the average for October was $3,822. The average in 1935 was $5,304.

The total value of loans in October was 2½ times greater than in the same month a year ago, and this increase applied also to the number of family units financed. The figure last month was $741,498 involving 140 loans for 194 dwelling units. This brought the total of loans made under the Act to date to $11,898,303, involving 1,940 loans for erection of 2,761 units. The discrepancy between the number of loans and the number of units provided is accounted for by loans for erection of groups of houses or of apartment dwellings.

Dominion Housing Act Loans by Provinces

	No. of Loans	Amount ($ 000's)
Ontario	885	5,154
Quebec	485	4,200
Nova Scotia	243	1,070
British Columbia	215	887
Manitoba	42	266
New Brunswick	58	255
Pr. Edw. Island	10	54
Saskatchewan	2	8
Alberta	...	....

New Building

Canadian Cottons Ltd., Montreal, is completing waterworks system to serve its textile mill at Marysville, N.B.

Dominion Bank has launched construction of a $20,000 branch structure at Geraldton, Ont.

Department of National Defence is reported preparing to begin construction soon of a joint service magazine at Kamloops, B.C., at an estimated cost (including land) of $43,000.

Quebec Department of Roads is studying plans for erection of a $150,000 central garage at St. Michel de Laval, near Montreal.

Department of Public Works, Ottawa, is receiving tenders up to Nov. 23 for construction of $150,000 public building at Prince Rupert, B.C.

Canadian General Electric Co., Toronto, is preparing to start construction of addition to its Lansdowne Ave. plant.

Union Packing Co., Calgary, plans to spend $50,000 for a new slaughterhouse at its Nose Creek plant.

Dominion Oxygen Co. has commenced construction of a new plant at Sault Ste. Marie, Ont.

Hiram Walker-Gooderham & Worts Ltd. plans to spend approximately $60,000 for addition to the office building at its Windsor plant.

Provincial Transport Co., Montreal, is arranging for early start on demolition of existing buildings and awarding of contract for erection of new $125,000 bus terminal in downtown Montreal.

Essex County Health Assn. is planning to award contract in the near future for construction of $200,000 addition to sanatorium at Sandwich, Ont.

John Labatt Ltd. is making preparations for launching another $60,000 building programme at the London brewery.

Brandram-Henderson Ltd. has obtained permit for construction of $85,000 addition to its Montreal paint and varnish factory.

Manitoba Cold Storage Co. has obtained permit for $300,000 addition to its Winnipeg warehouse, raising the total of the city's building permit total to close to $2 millions.

Construction World

Flood Control

The long projected flood control move for the Grand River Valley in Ontario finally appears to be gathering some momentum. The Ontario Government has undertaken to put up 37½% of the cost of initial works if the federal authorities will contribute a like amount, and the federal authorities have promised to consider any proposal to this effect from provincial officials. The remaining 25% would be assessed against municipalities benefitting from flood control and from expected improvement of sewage disposal facilities.

As outlined in Canadian Engineer, the initial unit of the plan consists of two dams to cost $1.5 million, the complete scheme calling for four dams and other works.

* * *

Low Cost House

The first of the modernistic, low-cost houses being built by the Winnipeg Housing Co. with Dominion Housing Act financial assistance has been completed, opened with due ceremony, and made available for public inspection. A semi-circular porch, corner window placement, and indirect lighting throughout are among the features of the house. Estimated cost ($3,200) was increased to $3,400 through installation of such extra items as a basement playroom and laundry tubs, raising the gross cost of the unit, with land, to $3,800. This is from $200 to $300 in excess of the original estimate of the Housing Company on which down payments ranging from $400 to $700 and monthly payments of $20.67 for 20 years were based. Unless the cost of future units is held down, the charges to purchasers may have to be scaled upward.

* * *

H.I.P. Gets Results

Need for continuing operations of the Home Improvement Plan for at least another year was stressed in a recent address in Montreal by W. W. Goforth, general manager of the Canadian Institute of Plumbing and Heating. As a result of the H. I. P.'s operation during its first year (ending Nov. 1, 1937), Mr. Goforth estimated that $50 millions of new business had been stimulated for the building trades, 35,000 unemployed given work, and 100,000 homes repaired.

* * *

Royal Commission Brief

Much valuable information and statements of viewpoint that are expected to be given close consideration are expected to be placed before the Royal Commission on Dominion-Provincial Relations in the projected submission by the National Construction Council. The brief, in the preparation of which the Canadian Institute of Plumbing and Heating is collaborating with other bodies, will deal chiefly with the burdens of excessive realty taxation by municipalities and the effect of this in retarding revival of the construction industry. Considerable progress has already been made in assembling data and drafting argument.

Assessment Appeal

From Our Own Correspondent

MONTREAL. — Quebec Apartments Co. has appealed the City of Quebec assessment of $600,000 on its apartment property.

The company sought a $200,000 reduction in the figure. The application was rejected by the recorder's court and brought before Chief Justice Sevigny.

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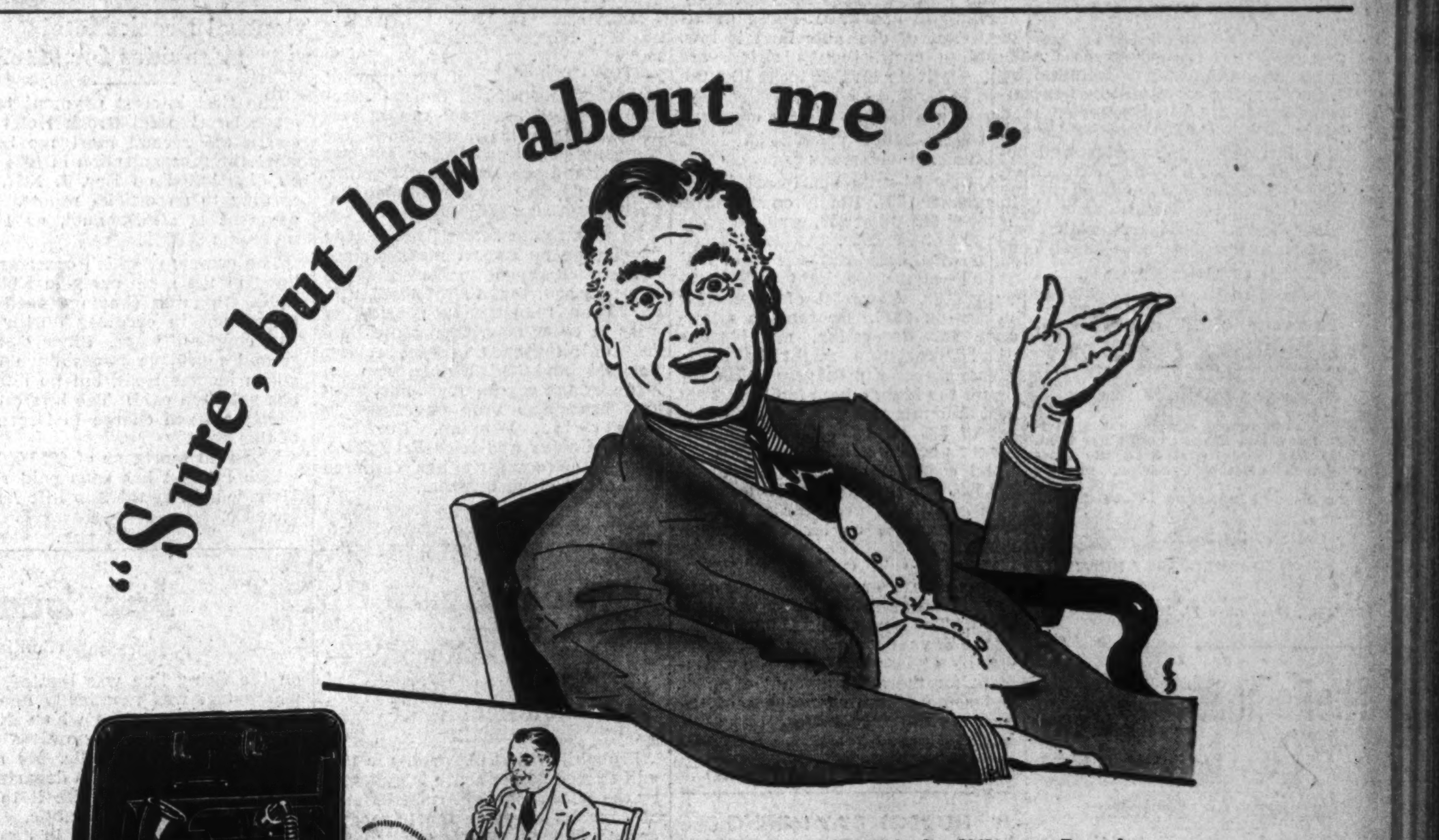

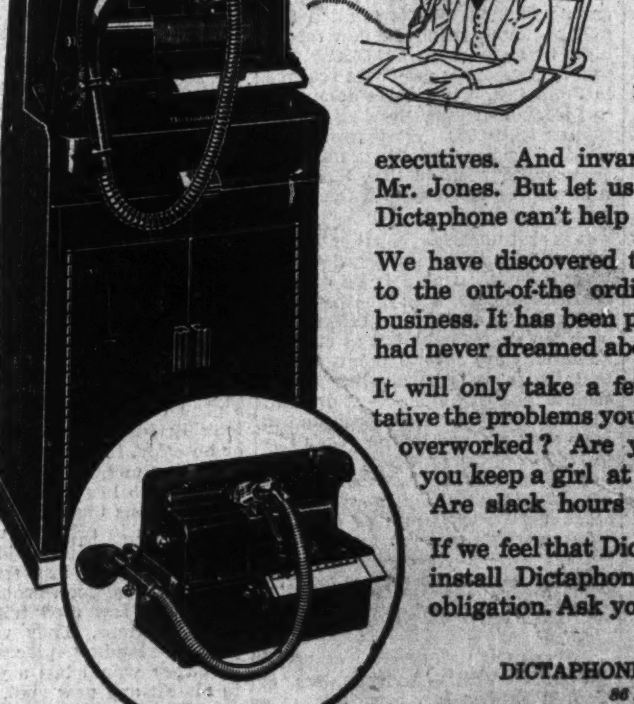

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Realities in Real Estate—3

Apartment House Dwellers

By R. A. MacEACHREN
Staff Writer, The Financial Post

HOUSES, apartments, flats and duplexes all have their own place in the great housing problem.

It is obvious that conditions brought about by saddling on the property owner the increasing cost of civic government, cannot go on indefinitely. Conditions which through history have made real estate an attractive proposition, will undoubtedly return.

For the prospective apartment owners as well as the prospective homeowner, the depressed real estate market may provide solid attractions. But the way of the purchaser is still hedged with many difficulties.

Efficiency is the new creed. The apartment, duplex and flat provide efficient housing. What they lack in space they often make up in modern conveniences. They may provide definite advantages of location for the working couple going to business daily. To many families their size presents the best answer to that increasing modern difficulty — the servant problem.

Tenant Householders

In Canada's major cities, 37% of the householders own their own homes. In towns and cities, between 1,000 and 30,000, 53.8% are homeowners. That means that about half of all Canadians are renters, therefore potential apartment, flat and duplex dwellers. Most of these, of course, live in houses. But at the most recent computation, 24.7% or some 277,500 Canadians were living in apartments, flats or duplexes.

Apartment is defined for purposes of these figures as a dwelling of two or more stories divided into self-contained home units with individual entrances inside the building, but with a common access to

The Problem of Apartment House and Duplex Owners Reviewed

the street. Flats are defined as separate home units with a separate street entrance provided, in two and three-story houses, by staircases usually outside the building. This type is largely confined to the province of Quebec and some parts of the Maritimes. Over 80% of Montrealers live in them. Elsewhere, the word duplex applies.

Housing the cave dwellers is definitely big business. Because it comprises thousands of big and little owners, individualists seldom united in any formal group, little is heard about it, fewer figures are available and its joys and sorrows are but dimly realized by business at large.

Boom of the 20's

The Canadian apartment building boom began in the '20's. Construction and labor costs mounted toward their peak. Land values were sky-high. Tenants scrambled for the smartest and most expensive suites in the newest buildings. With the depression, equities were wiped out, rents toppled 20% to 50%, suites emptied and taxes soared.

Here are a few samples of the fate of apartment house owners, culled at random from The Financial Post Survey of Real Estate Securities:

A 55-suite Montreal apartment, valued new in 1924 at $1,350,000, shows a loss of over $50,000 for each of the past two "recovery" years. "No prospect of full payment on bond interest."

A company with 169 suites in five apartment buildings in the medium to low-rent category has had a consistent record of almost capacity rentals, but "not all debenture interest is being earned."

For nearly every apartment built in the decade of the '20's the story is the same, frequently with the addition of bankruptcy, one, two or three reorganizations or distress sale.

Rents are improving. Many landlords levied general increases of 10% this fall, with rents generally being about 15% higher than three years ago. There are fewer vacancies and every calculation shows a gigantic latent demand for new housing in Canada. But it appears very doubtful if more than a few of the apartments built in the '20's will recover their equity for many years to come—if ever. Their first cost was too high.

Obsolescence Menace

Apartment dwellers, as a class like the newest. They can follow their whims as to where and how they want to live. They can move down the street to the new building where there is a new and revolutionary built-in bathtub, or where the elevator has more mysterious gadgets. All of which doesn't improve the returns for the older apartment owner.

Apartment Investment

The past year has seen a strong upswing in apartment-house building. Cost of desirable land is low. Building costs, though rising, are still relatively low. It looks like the time to build.

Here is a sample case of what the apartment-house proposition looks like as an investment:

A new 24-suite apartment building cost $90,000. Rental on six suites is set at $65, 18 at $55, giving a gross rental of $16,560. Costs include taxes of $1,800, insurance $150, fuel $1,000, water $400, light $170, caretaker $500. Allow 5% of income for vacancies, $830. Reasonable allowance for decorating, maintenance and depreciation might be 3½%. Some property managers think the figure too high, others too low. That cost amounts to $3,150. Allow interest of 5% on total investment for owner's equity and mortgage, $4,500. Total costs on this basis are about $12,500, which presumably leaves a profit of $4,060 per year after paying owner 5% on his own investment.

Especially in Ontario, the four-family house or duplex is perhaps the most significant realty development. The duplex combines many of the advantages of the apartment, usually at less cost than the apartment for the same amount of space and some of the advantages of the separate dwelling house.

Profits on Duplexes

The typical financial setup of the duplex also shows a neat profit. Cost new $19,000. Four suites to rent at $65 each. Gross income $3,120. Costs are: $950 interest (5% on owner's equity and mortgage), $550 taxes, $240 fuel, $40 water, $17 insurance, $10 light, $85 janitor, $130 allowance for vacancies (over the life of the duplex probably too low), and $755 maintenance yearly. Total costs are $2,777, which leaves a net profit after paying owner 5% on investment of $343.

Good as both these propositions appear, some realty experts remain somewhat dubious Of course, the history of the '20's may be repeated. Too much speculative building in the apartment and duplex field is their fear.

How many Canadians can be persuaded to join the cave dwellers, of course, no one can tell. It is an important fact, however, that a detailed study made recently in the United States revealed to the general surprise that in 1936 there were very few more people living in apartments, flats, duplexes and other multi-family dwellings than there were in 1848. This, of course, is scarcely true for Canada because, for many sections of this country, the multi-family dwelling only made its appearance comparatively recently.

The problem that increasing municipal taxation has created will be dealt with in an early article.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 298

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 30th October, 1937

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the SIXTH day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board

JACKSON DODDS, General Manager — G. W. SPINNEY, General Manager

Montreal, 19th October, 1937.

The Canadian Bank of Commerce

Dividend No. 203

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st December next, to shareholders of record at the close of business on the 30th October, 1937. The Transfer Books will not be closed. By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 15th October, 1937.

ANGLO-CANADIAN TELEPHONE COMPANY

CLASS "A" DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-Quarter Per Cent. (1¾%) has been declared on the Class "A" stock of the Company, payable December 1, 1937, to Stockholders of record at the close of business on November 15, 1937.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, November 12, 1937.

The Reinhardt Brewery Co., Limited

NOTICE OF DIVIDEND

NOTICE is hereby given that an Interim Dividend of fifteen cents a share on the outstanding capital stock of the Company has been declared, payable December 1st, 1937, to shareholders of record at the close of business on the 15th day of November, 1937.

By order of the Board.

C. I. MacNEILL, Secretary.

MONARCH ROYALTIES LIMITED

Notice of Distribution

Notice is hereby given that a distribution, in accordance with the terms of the Trust Agreement, will be made on or after the 27th day of November, 1937, from the proceeds of production for the quarter ending the 31st day of October, 1937, to shareholders of record as of the 20th day of November, 1937.

By Order of the Board of Directors,
F. P. BYRNE,
President.

Calgary, Alberta,
November 5th, 1937.

Vulcan Oils Limited

Notice is hereby given that a dividend of FIVE CENTS (5c) per share has been declared on the issued Capital Stock of the Company payable on the 20th day of December, 1937, to shareholders of record at the close of business November 30th, 1937. The books of the company will be closed from the 30th day of November, 1937, to the 20th day of December, 1937, incl.

A. J. FLOOD,
Sec.-Treas.

DIVIDEND NOTICES

HUDSON BAY MINING AND SMELTING CO., LIMITED

DIVIDEND NO. 6

A Dividend of One Dollar ($1.00) (Canadian) per share has been declared on the capital stock of Hudson Bay Mining and Smelting Co., Limited, payable December 10, 1937, to stockholders of record at the close of business on November 20, 1937.

H. E. DODGE,
Treasurer.

Dated November 9, 1937.

Canadian International Investment Trust, Limited

Preferred Dividend No. 16

Notice is hereby given that a dividend of one and one quarter per cent (1¼%) has been declared on the 5% Cumulative Preferred Stock of the Company, payable December 1st, 1937, to Shareholders of record at the close of business on November 15th, 1937.

By Order of the Board,
G. V. RYCKMAN,
Secretary.

Montreal,
November 9th, 1937.

Second Canadian International Investment Company, Limited

Preference Dividend No. 3

Notice is hereby given that a quarterly dividend of ten cents (10c) per share has been declared on the Participating Preference Shares of $10 par value for the quarter ending November 30th, 1937, payable on December 1st, 1937, to Shareholders of record at the close of business on November 15th, 1937.

By Order of the Board,
G. V. RYCKMAN,
Secretary.

Montreal,
November 9th, 1937.

JOINS GIBBONS'

Donald F. Philp, B.A., well-known Toronto advertising executive, has joined J. J. Gibbons Limited, advertising agency. Mr. Philp graduated from the University of Alberta in 1922 and after some years in newspaper work in the West, he came to Toronto. Mr. Philp has been account executive with J. Walter Thompson Co.

What's What In Advertising

By JEAN R. GEMMELL

The Association of Canadian Advertisers will hold its annual meeting in Toronto on Dec. 9 and 10. John Bassett, president of the Montreal Gazette will be the guest speaker on Dec. 10.

• • •

G. Russell Chapman, general secretary of the Advertising Association sailed from England on Nov. 5 for a visit in the United States and Canada.

• • •

Imperial Oil Limited is again broadcasting all Canadian professional hockey games over one of the largest regular networks ever arranged in the Dominion. Broadcasts will last at least 20 weeks. McLaren Advertising Co. Limited negotiated the arrangements with the C.B.C. whose basic network is being used.

• • •

A. J. Denne & Co. Ltd., Toronto is releasing a campaign to a selected list of class publications and those reaching the florists for Mineral Colloids (Canada) Ltd., Toronto, manufacturers of a natural mineral phosphate plant food.

• • •

The Imperial Tobacco Co., Montreal, has started a Friday evening series of broadcasts entitled Canada 1937. Each programme will include interviews with news commentators in Europe, a five-minute review of New York shows and a travelling reporter who will broadcast from a different Canadian city each week, discussing the district's contribution to the economic life of Canada and who will interview those who make the contribution possible.

Staff Honors Industrialist

Employees Tender Birthday Banquet to T. L. Moffat

A banquet in honor of T. L. Moffat, president of Moffat's Ltd., stove and refrigerator manufacturers, on the celebration of his 75th birthday, was given by employees of the company at the Granite Club in Toronto this week. In addition to officials and employees of the firm, several score personal friends of Mr. Moffat were present at the dinner. Proceedings were featured by presentation of a portrait of Mr. Moffat by Kenneth Forbes, noted Canadian painter.

While planned primarily to congratulate Mr. Moffat on attainment of his 75th birthday and his continuance as active head of the enterprise, the gathering also produced tribute to the success and expansion of the company under his presidency. This progress continued even during the depths of the depression, the 1931-1932 period being marked by addition of electric refrigerators to the company's line of products and invasion of the British Isles market by opening of an auxiliary manufacturing plant at Blackburn, Eng.

Growth of Company

Established in 1882 at Markdale by Mr. Moffat's father, the firm moved to Weston, a Toronto suburb, in 1892. Originally a producer of wood-burning ranges, the manufacture of wood and coal ranges was abandoned in 1917, and today the company produces electric and gas ranges and electric refrigerators. Annual production amounts to between 30,000 and 35,000 units.

So successful has the firm been in developing an export market since it first sold ranges in New Zealand 17 years ago, that today about 60% of its entire business consists of sales in other countries. More than 50% of all ranges in use in New Zealand and South Africa were made by the company. Export markets have also been developed in Australia, Belgium, Bermuda, Kenya Colony and Irish Free State, where the company has captured 85% of all stove business.

Pressed Metals Sales Again Up

October Sets Record — New High Profits Indicated

Probability that net profits in 1937 will exceed $4 per share is indicated by the sales report of Pressed Metals of America covering the 10 months ending Oct. 31. Sales totalled $3,462,042, having reached a new record high in October at $446,426. The previous monthly peak was reached in June last, when sales amounted to $405,000, making the half-yearly figures $2,150,000. Of this amount, $265,284 was net profit. It now appears quite possible that these results will be duplicated in the latter half of the year.

It is still uncertain what action, if any, will be taken in regard to the stock purchase rights to be offered to shareholders this month. One new share at $25 is to be offered for each ten shares held, but as current quotations are several points below that figure, it is hardly likely that the offering will be made at present. The company's financial position has been strengthened by the year's improved business, however, and plant expansion may be financed out of earnings, leaving the issue of further stock until such times as stronger stock markets make it feasible.

End California Price War To Help Capital Estates

From Our Own Correspondent

VANCOUVER.—Shareholders of Capital Estates Inc. were told at a meeting held in Vancouver on Oct. 27, that General Brewing Corp. of San Francisco would probably benefit from an agreement, said to be near, among brewers on California to end the price war that has been affecting the industry adversely for some months.

Capital Estates holds about 50% of the capital stock of General Brewing Corp. Oliphant Bell, secretary, states that the company is not likely to publish a financial statement at present.

General Brock Hotel Provides for Interest

The first interest payment to be made by General Brock Hotel Co. on its 3% second mortgage bonds since the reorganization in 1934 will be distributed on Dec. 1, 1937, according to an official report. The payment is semi-annual, or 1½%, involving $10,373.

The company, which operates the hotel of the same name in Niaraga Falls, Ont., has shown a good improvement in earnings during the past couple of years. Since 1934 the second mortgage bonds have been on an income basis, but no interest has yet been paid. The interest becomes a fixed charge in December of this year.

The first mortgage of $250,000, on which interest has been paid regularly, is held by the Sun Life Assurance Co.

Mimico Advances Refinancing Plan

Council's Scheme Has Not Received Creditors' Approval

Mimico Council has formally approved its own plan for removing the municipality from default. Advancement of this scheme is by no means the final step in clearing up the situation, however, as the Bondholders' Protective Committee has announced it cannot express an opinion either way on the council's proposal until it has made a thorough investigation of the town's financial affairs.

The plan in its present form is based on the people's ability to pay, according to Reeve Robert Ainsworth. It was drawn up from information supplied to the town's auditors by the Ontario Department of Municipal Affairs, with some changes and modifications subsequently inserted by the council.

Mimico's Scheme

Provisions of the plan are: (1) Settlement of interest arrears by cash payment at 50% of the contracted rate; (2) cash payment of debentures held by Prudential Insurance Co.; (3) cash payment of an amount of debentures equal to balance of cash on hand, which it is estimated will be about $106,000 (this, for convenience, would likely be for part of the debentures held by the bank); (4) issue of $1.5 millions of new 4% debentures, redeemable at par, payable in equal installments over 25 years, requiring annual payment of $112,00, to replace an equal amount of outstanding bonds.

The plan provides that the municipality shall be under only limited supervision of the Ontario Department of Municipal Affairs. All borrowings, however, are to remain subject to the Department's approval.

MacKinnon Steel Profits Improved

$3.82 a Share Earned on 7% Preference Stock

From Our Own Correspondent

MONTREAL.—MacKinnon Steel Corp., Sherbrooke, P.Q., reports improvement in its operations for the year ended July 31, 1937, net profit being equivalent to $3.82 a share on the 7% preferred stock. In the previous year the company reported an operating loss before depreciation and executive salaries.

G. H. McDougall, president, indicates that further improvement is expected in the current year, unfilled orders at the end of July being higher than at the corresponding date of 1936. Also, further improvement has been indicated during the past three months.

Working capital at the end of July amounted to $233,792, an improvement of $25,000 over the previous year. During the year the company's holdings of Government bonds was reduced to $80,650 from $100,850, but this is offset by an increase in inventories from $28,764 to $91,258. Accounts receivable increased from $59,797 to $86,175. Cash at $45,789 is $17,356 higher.

Dividend arrears on the 4,750 shares of 7% preference stock amount to $32.37 a share.

Income and Surplus Account
Years Ended July 31

	1937 $	1936 $
Operating profit	36,151	*2,563
Inc. from invests.	4,818	5,467
Profit on sale of bonds	138	......
	41,107	2,904
Less: Depreciation	10,000	10,000
Directors' fees	1,000	875
Exec. salaries	8,380	8,380
Int. on bank loans	279	490
Income taxes	3,289	......
Net profit	18,159	*16,841
Less: Prev. deficit	11,626	4,785
Add: Res. not needed	......	10,000
Balance forward	6,533	*11,626

*Deficit or loss.

Working Capital Position
As at July 31

	1937 $	1936 $
Current assets	303,873	217,844
Current liabilities	70,081	9,627
Working capital	233,792	208,217

Job Seeks the Man

(Continued from page 13)

on the firing line was limited, and whose tact was practically non-existent. The executive who will fill the bill today must know his subordinates and his public. He must be able to take hold of a department and actually merchandise it to the staff as well as to the public.

Another quality much in demand is promotional originality. That is true of practically every job involving merchandising, but especially true of advertising and sales promotion men.

Considering how short a time ago executive talent was offering itself in a buyers' market with few takers, it seems rather remarkable that scores of first-class jobs should go begging. There are, of course, reasons. There is obviously keen competition for brains. Advertising agencies are hooking up with bright fellows who know the consumer from stockings to hat.

There is a competition in the retail merchandising business also. A few years ago if a good man got a good offer from another store he took it; his own store made little or no effort to keep him. Now, bids are being met, for there is a determination to keep efficient working organizations together. In this they have much in common with manufacturing and wholesaling.

There is, too, less tendency for executives to "look around." Three years ago, few men felt secure in their positions. They watched for possible landing places, knowing that they would last a year or two in almost any new spot, while they might be dropped tomorrow from their present ones. Such men, with jobs as secure as executive jobs ever are, and with their pay on the upgrade again, are less prone to contemplate switching.

Reasons For Demand

Discovering reasons for the anxiety of business to hire is not at all difficult. There are the natural losses from death and retirement (one industrial firm is in the sad fix of having three major executives die within a year). There are the losses of people lured into other fields. These losses involve replacements.

Then there is the opening up of new departmental activities, a major factor. During the depression, departments were consolidated either physically or as to executive supervision. Either way, somebody or several somebodies got the gate. Now these departments are being separated again, and several somebodies have to be hired to take care of them.

It is a natural question—why not provide for these posts by promotion? That is done, to some extent. Unfortunately, one of the most lamentable effects of the depression was the practical cessation of training activities in a considerable number of business enterprises. Supervisory and creative forces were cut, and no provisions were made for bringing up successors to key executives. Business's second line of defense was wiped out.

Now the need is plain for re-establishment of that line, and the recruiting drive is on.

Profit Builders

There is one marked difference between the type of executive called for today and the man who was acceptable—even yearned for—before the slump taught us a few lessons. Yesterday's executive was the sort of chap who could, would and did attain volume regardless of any other consideration. Today's fair-haired boy is the man who can build up a business on a solid foundation; who can produce a profit regardless of volume. And that goes for the production and technical staffs as well as the sales and advertising managers.

Re-establishment of executive training work in business will, in a few years, probably lessen somewhat the urgent demand for executive talent which exists currently. In the meantime, it is not at all impossible that businesses will find it necessary to offer even more in the way of salaries and bonuses to get the folks they want and need.

Regimentation Of Commerce Seen Harmful

Ontario Will Avoid It, Says Attorney-General

BUDGET CONTROL

Assurance that the Ontario Government intended to continue the policies which produced its balanced budget this year, to work for reduction of cost of Government in Canada, and to avoid regimentation of either business or individuals, was given in an address before the Canadian Club of Toronto this week by Hon. Gordon D. Conant, attorney-general of Ontario. Extracts from his address follow.

"In the British Empire, and particularly in Canada, we are confronted with the problem of reducing the cost of government. Under our democratic system, the interests of the State, as a matter of practical administration, must be reconciled with political requirements.

"The business of government is the biggest business in Canada today, involving an annual turnover in excess of $1 billion. It has the largest payroll of any business in Canada, and the greatest number of shareholders. Considering only our federal and provincial parliaments, it has 850 elected directors to handle the affairs of 11 million people, or one for every 12,000 people. In Great Britain there is one member for every 73,000 people.

"Canada has approximately 28,000 governing bodies, including municipal councils and school boards. In Great Britain, there are 16,000 governing bodies of all kinds and in Australia only about 1,100. We have 10 departments of agriculture, 10 departments of health, 10 departments of justice, 10 departments of lands and forests, 10 departments of mines.

"The finding of some solution or means of readjustment is a matter of emergent necessity. We must find it in decreasing our expenditures to the irreducible minimum if our democratic form of government is to survive. It cannot be accomplished by increasing taxation, which is always subject to the law of diminishing returns, and which jeopardizes the industrial, commercial and economic structure of any nation.

"Governments cannot, by acts of parliament or legislatures, produce wealth. We in the Province of Ontario, regardless of what may be done in any other province, will never attempt to do so.

Balanced Budget

"That we have in recent years succeeded in a very large measure in reconciling the position of the taxpayers with the demands of the beneficiaries, is indicated in the 1937 budget of the Province of Ontario. In order to remove from this discussion any semblance of political propaganda, I take the liberty of quoting from the issue of Sept. 18, 1937, of The Financial Post, a journal which I believe to be politically independent, where it says:

"'Ontario is the first province to achieve a properly balanced budget, and within recent months tax reductions to both industry and individuals have been obtained.'

"It is the policy of the present Government of Ontario to continue the practices and principles which resulted in the budget of 1937, to the end that this favorable position may be maintained or further improved, and so that this province may be placed on a sound, stable and prosperous basis.

Government of Business

"As to the government of business, it is my firm conviction that the less government interferes with business, the better it is for business and the better it is for government.

"We have seen, in a neighboring state, an attempt at the regimentation of business, and I have only to mention some of the regulatory bodies set up in recent years to bring to your mind how undesirable such regimentation would be in this province. I suggest to you that the results achieved have, in many cases, been actually harmful—at the very best, the benefits have been almost microscopic as compared with the impairment of business and industry.

Protective Legislation

"We have found it necessary to enact such legislation as the Industrial Standards Act, Workmen's Compensation Act, Factory, Shop and Office Building Act, Minimum Wage Act, Corporation Securities Registration Act, Insurance Act, and Loan and Trust Companies Act. These laws and the administration of them are protective in their purpose. They do not regulate or control the functions and policies of management of business.

"They exist for the protection of both capital and labor, and of the investing public. They have helped business by stabilizing wages and labor conditions, promoting better working conditions in industry and more safety in the conduct of business.

"That is as far as we in this province should go—to regulate business where and to such extent as may be necessary to meet modern conditions, to maintain law and order, to ensure for labor a fair share in the profits of industry.

"But there should be no regimentation of business. Our people, as a people, will not tolerate regimentation in their private lives or in their business activities."

Prince Edward Hotel Will Pay Interest

It is officially announced that Prince Edward Hotel Co., of Windsor, will make the first interest payment on the second mortgage debentures on Dec. 15, 1937, the scheduled date. The coupon is for 1%, being semi-annual, and the amount involved is $2,555.

The company was reorganized early in 1937, second mortgage debentures to bear interest at 2% for two years, and 4% from that time on. It is reported that business has shown considerable improvement since the new management took charge.

You pay no more for this FINER cigarette

"EXPORT"

EXPORT "A" with FILTER TIP

Investment Firm Loses Court Case

Client Given Right to Recover on Investment in Island Power Co.

From Our Own Correspondent

MONTREAL.—The Ontario Supreme Court has handed down judgment in favor of Joseph M. Pigott, head of the Pigott Construction Co., Hamilton, Ont., in his suit against Nesbitt, Thomson & Co. Ltd., Montreal investment firm, for return of moneys invested in Montreal Island Power Co. stock.

The judgment declares that the plaintiff is entitled to rescission of a contract under which he agreed to purchase from Nesbitt, Thomson & Co. 100 shares of 6% cumulative preferred stock and 40 shares of common of Montreal Island Power.

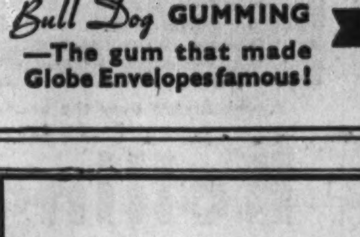
In bringing suit, Mr. Pigott charged that sale of the shares was made on the basis of statements in the prospectus. The case hinged on whether or not there was sufficient water available to the company's power plant to provide a reliable head of water of 26 feet, which would develop 65,000 h.p.

Coast Breweries Leaves Stock Split to Directors

From Our Own Correspondent

VANCOUVER.—Shareholders of Coast Breweries Ltd., at the annual meeting on Oct. 27, authorized directors to deal as they see fit with a proposal to split the company's shares. No definite basis for the proposed stock split was adopted and it is understood that plans have not yet been completed.

Purpose of the proposal is understood to be the obtaining of a wider distribution for the company's shares.



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Secretary.

HEAD OFFICE
10 Metcalfe Street, Ottawa, Ont.

BRANCHES:
711 Place d'Armes, Montreal — 100 Adelaide St. W., Toronto

Programme to Stop Slump is Suggested

(Continued from page 1)

President reversing his bitter opposition to profits in business. I am not sure of anything now.

"Marriner S. Eccles, chairman of the Federal Reserve Board, is smart and he knows what ought to be done. But he is only one of seven members of the Board and the others do not seem to be able to make up their minds. So it looks as though nothing constructive will be done and the country will head into a serious business depression."

Publicity-Conscious

Perhaps at this stage of this interview it would be well to tell who Major Angas is. There may be a few people who have not heard of him, despite the fact that he is shrewdly publicity-conscious and in the past four years has made himself widely known for his positive forecasts of stock market and business movements, most of which have worked out so well that, until recently, the doughty Major was regarded by his followers as the seventh son of a seventh son, possessing occult and clairvoyant powers of financial prescience.

Major Angas went through the war in the British infantry and with an excellent record. After the war he joined a stock brokerage house in London. There he began to make use of certain theories of monetary observation and interpretation that he had evolved during the war. Applying them to market movements he wrote a number of books and pamphlets with arresting titles. There was "The Coming Collapse in Rubber," published in January, 1926, that called the turn very neatly. There was "The Coming Rise in Gold Shares," written in February, 1931, which was taken as gospel by a great many people who, in consequence, made themselves tidy fortunes in the Kaffirs and in the Canadian gold stocks. In September, 1931, when it looked as though the bottom had dropped out of the British economy and people were saying "Poor Old England; she's through," he published "The Coming English Boom" and during the next few years saw his prophecy come true in the grand manner.

Wall Street Predictions

In April, 1933, the United States was just about where England had been in September, 1931, and Major Angas published "The Coming Rise in Wall Street." As a matter of fact, Wall Street was already beginning to rise when the pamphlet came out but it kept on going up for more than four years after the Major published his forecast.

He was much less happy with "The Coming Collapse in Gold" in November, 1934, and there was nothing particularly prescient about "The Coming American Boom" in July, 1934. Last of his major forecast pamphlets was "Slump Ahead in Bonds" published last February.

Altogether the Major has published 17 books, counting his newest one, and he is quite satisfied with all of them except the one forecasting the collapse of gold shares. But he adds that he qualified that forecast by certain "if's" regarding American monetary policy and as the monetary czars of Washington acted upon the "if's" he feels he is entitled to a clean record. His September forecast of no slump and no major stock market decline did not take the form of a pamphlet.

The Two Majors

The Canadian observer will note a few parallels between the careers of Major Angas and another Scottish ex-army officer, Major C. H. Douglas.

Both served in the war. Both attained the rank of Major. Sitting in the trenches, both did a lot of thinking about the influence of money on booms and slumps. Both came out of the war determined to present their views to the world. Both wrote a great many books and pamphlets. Both influenced a great many people. Both found their influence greater and their legion of followers larger on this side of the Atlantic than at home.

But the parallel cannot be carried too far. Major Douglas's peculiar monetary theories veered to the unorthodox. He tried to outline a theory of how business trends could be controlled by using the monetary tool. His Social Credit doctrine is a new money scheme to replace the old one.

Major Angas did not seek to show how business trends could be controlled but rather how they could be forecast by watching what the monetary arms of governments were doing. The world, he argued, had created a new super-power, the monetary managers of the nations, usually taking the form of central banks. These monetary managers had been equipped with remarkable powers which, if used, could control bond and stock markets, bring nations out of depression, check unhealthy booms, and even create depressions if depressions were ever found desirable. Watch the monetary managers, anticipate what they are likely to do under any given set of circumstances and you can easily forecast the results of their actions on bond markets, stock markets and business trends, he argued.

Aggressive Oxford M.A.

Major Angas is a stocky, aggressive, red-haired Oxford M.A., with a bristling Guards moustache, a good service on the tennis court, a low golf handicap, and a happy knack of over-simplifying a problem.

Two years ago, having become something of a legend on this continent, he came from England and established an investment advisory counsel office in New York. His pamphlets now serve the purpose of advertising himself and of bringing in customers for his service. He puts no modest valuation upon his advice. The harassed investor can buy a single interview for $200, or a dozen (to be taken within one year) at $100 apiece. Or he will give the individual a continuous advisory service for $2,500 a year. A corporation pays $5,000. How many people and how many corporations have taken advantage of these rates one cannot say, but in Wall Street it is averred that the Major's reputation as the man who is always right is beginning to go the same way that such reputations have always gone in Wall Street in the past. His September advice did not lift his reputation to any greater heights, nevertheless, his newest pamphlet is taking well and, although it is really little more than an advertisement for his personal advisory service, the Major is smart enough to put a price on it and sell it in book stores and on news stands at $1.50 per copy.

Let Down By Washington

"What fooled me," the Major said to The Financial Post, "was the fact that in March, when the boom was getting dangerously out of hand, Washington made effective use of its powers to hold things in check. Then in September, when things began to get out of hand on the other side, chiefly because the Japanese crisis had upset business confidence, Washington did another wise thing by desterilizing $300 millions of gold. Having acted so effectively on these occasions, there was reason to expect that Washington would follow up with further monetary measures that would prevent the stock market recession from going farther and engendering a slump. You know, a decline in market prices on this continent can start a business slump simply by making people afraid of securities and commodities and making them prefer cash in hand. A depression gets started very easily and it feeds on itself unless it is checked. But Washington has let the country down.

"We had every reason to think it would be good business to back the horse of monetary management just as it has been good business to do so ever since the war. But unfortunately the horse now seems to have about seven different jockeys on it and each of the jockeys wants to ride it in a different direction. Moreover, the owner of the horse—Roosevelt in this case—does not seem to care whether it wins or not.

"What is happening now is that everyone is trying to get liquid. There is no need for a panic, but if everyone decides that he prefers cash to securities, everyone is going to go out for cash and that means that securities will continue to be dumped. People are frightened of securities and so we are having a panic that can easily become a very serious one.

Sees Simple Solution

"What ought to be done about it is very simple. If everyone is running for cash; if everyone prefers an investment in money to an investment in securities or commodities, the thing to do is to make them afraid of money. And the way to give people a fright about money is to make them feel that money is going to drop in value. Not much of a fright is necessary; just enough to stop the present stampede into cash. The moment is ripe for a bit of monetary management, but no one is doing any managing just when it is needed most."

The money-managing Major hastened to add that he was not preaching the unbalancing of the budget. A little increase in the note issue would serve the same useful purpose of frightening people out of money and back into securities.

In "Remaking the Boom," Major Angas develops his ideas at greater length. He points to the danger of a severe drop in trade in the United States. Trade indices may fall before the end of the year by anywhere from 27 to 50 per cent below the August level. Stock market prices could go considerably lower than at present. Earnings of corporations would be greatly reduced and many securities that are selling today at eight times earnings on last year figures might be selling at 16 or even 60 times "prospective" earnings. He sees four economic justifications for the recent slump in trade:

1. Partial satisfaction of the deferred replacement demand hanging over from the last depression.
2. Encroachment of wages and taxes on profits.
3. A 6% deflation in bank deposit currency.
4. General reduction of inventories.

The war scare activated these causes and started things on the downswing.

Suggests Reflation

Now the slump is developing momentum at a dangerous rate. This is unnecessary as the administration at Washington is equipped with a wide variety of monetary tools—weapons it can use to combat a depression. (The Major lists 12.) To stop the downward momentum and point trade indices up again, the Major suggests, first of all, a measure of reflation. He wants the 6% decrease in bank deposit currency wiped out at once by a new note issue using the money for public works, etc.

He does not urge it in his book, but he told me that he thinks the United States ought to raise the price of gold, if only by a sum as small as five cents an ounce. He is interested here in the psychological effect. Even so small an increase in the price of gold would frighten people out of cash hoarding and into all securities and commodities. And, incidentally, he thinks the gold stocks are a good buy.

In addition to monetary measures the Major wants the president to reflate confidence. This would imply a change in the New Deal attitude toward business. At the present time Washington is "anti-profit." Its whole political programme is directed to squeezing profits out of business and taxing them out of existence if by chance they are earned. There can be no resumption of the boom unless there is a renewal of business confidence and a revival of the spirit of initiative, the Major declares. Both of these ends can be achieved by letting businessmen and corporations know that the president is "pro-profit," that he admits the right of those undertaking the hazards of enterprise to earn something for their risks and their pains.

Major Angas sums up his programme in these words, "To reflate confidence by adopting a pro-profit attitude; and (only temporarily) to reflate money."

Wall Street Smiles

In Wall Street there is a tendency to smile patronizingly when Major Angas's name is mentioned. But the Major's ideas are not as unorthodox as his way of expressing them. If his primerlike paragraphs, with their emphasis upon clever phraseology, are analyzed they are found to contain very much the same proposals that more experienced and more conservative business and financial leaders are pressing upon Washington at the present time.

A number of the established economic services agree with the Major in blaming the present slump upon measures of monetary deflation that were undertaken without an adequate appreciation by Washington of their significance and that have been permitted to go so far that a business recession crept upon the scene unnoticed until it made its presence felt by a sudden and precipitous decline in share values that is now being followed by declining indices of business volume. Even those who approved the action of President Roosevelt and Federal Reserve Board Chairman Eccles in cracking down on the wage and commodity boom last spring are now saying that the cracking down has gone too far and definite reflationary policies are again called for.

But business and financial leaders generally put their emphasis upon the other of the Major's two planks: the revival of confidence in business by suspension or reform of excessive taxes that are strangling business endeavors.

Same Measures Urged

At the meeting last week of the Investment Bankers Association of America at White Sulphur Springs, the feeling was generally expressed that the time had come—in fact had long since passed—when investment of private capital should take up the slack left by the balancing of the budget and the elimination of the purchasing power created by deficit borrowing. And the bankers felt that, given less stifling taxation, given a chance to do business without constant New Deal punishment of reasonable profits and moderate business success, private business could be counted upon to give a good account of itself.

So, while Wall Street does not take Major Angas too seriously, either as economic prophet or as financial authority, Wall Street is urging much the same measures that he is urging. And the Major puts his views in language that the public can understand a little more easily.

Small Loan Firms Report Year's Profits

Central Finance Net for 1936 Is 9.9% on Its Capital

The $4.4 millions of small loan business in Canada licensed last year grossed $910,309 and the major company in the field had net profits of 9.99% on capital invested, according to a report just issued by the Federal Department of Insurance.

Formerly incorporated in the Government report on loan and trust companies, the small loan business is now classed by itself because, unlike the trust and loan companies, it lends on personal security, therefore justifies a separate study.

Main reason for the report, however, is the promise given at the end of the last session of the Ottawa Parliament that at the forthcoming session a committee of Parliament would be appointed to investigate the whole matter. The demand for Federal regulation of the small loan business has been led throughout by the largest company in the field.

This report is based on the experience only of the four companies which have registered with the Federal Government and therefore shows nothing of the activities of the hundreds of other small loan companies operating under provincial laws but uncontrolled as to method of operation.

Three of the registered small loan companies are U. S. controlled. The largest, Central Finance Corp., is capitalized at $475,000 with interest of $462,500 owned by Household Finance Corp., of Chicago. The Beneficial Loan Corp., of Wilmington, Delaware, has $237,500 in the $250,000 Canadian company, Discount and Loan Corp. Two New Jersey men hold 97% of the $5,000 Consolidated Credit Service Co. Ltd. The fourth, Industrial Loan and Finance Corp., is all Montreal-owned.

Analysis of Cases

Analyzing several cases, G. D. Finlayson, superintendent of insurance, finds that clients paid around 3% per month for their money.

"For a company operating in a restricted area," the report states, "it is doubtful if the demand for small loans is sufficient to produce the volume of business necessary for that purpose and the rates of interest and the charges imposed on borrowers must be comparatively high. It follows that the rate high enough to enable the small lender to live tends to become the standard for the large companies which could operate at lower rates. The result is in the larger companies excessive administration costs are induced by the very plenitude of revenue."

To this the answer of the registered small loan companies is that if the Government would only give the business proper regulation for the protection of the borrower the unregulated "loan sharks" would have to reform their business methods and that competition would do the rest.

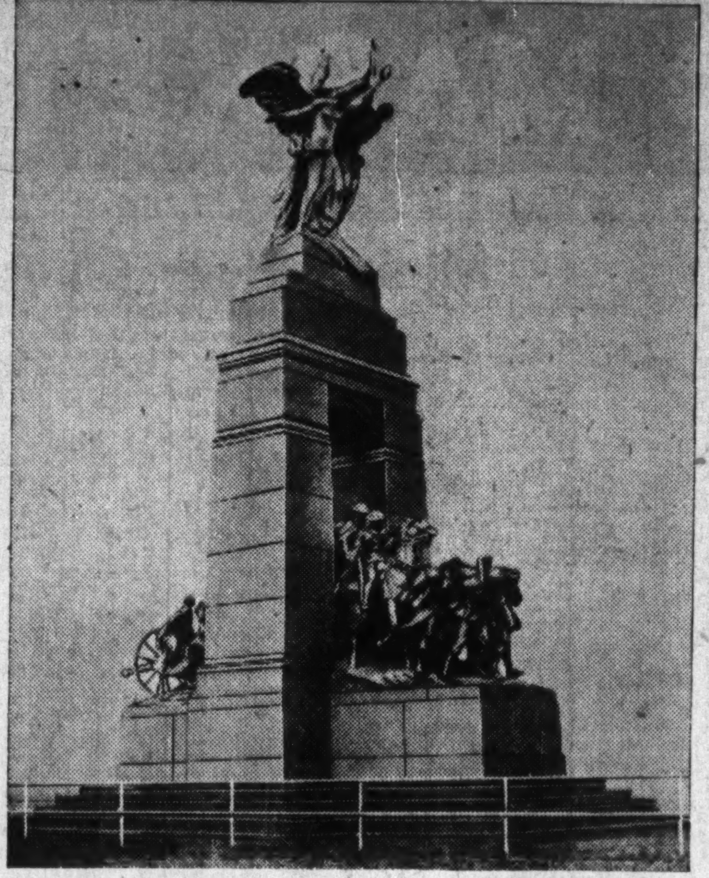
Experience of loan companies in the United States where the business is usually state controlled has been that slightly higher rates than are now charged by the registered companies in Canada are necessary to carry the company during good times and bad.

Central Most Profitable

The report of the federal department shows that Central Finance, a $3.3 millions company, earned 9.99%. Discount and Loan Corp. $290,000, earned 3.36% and Industrial Loan and Finance Corp., $804,000, earned 4.74%.

Central Finance at the end of 1935 had 18,003 accounts, averaging $119 for a total loan balance of $2,138,515.

Central Finance had one successful suit for recovery in 1934, none in 1935. Discount and Loan Corp. has had three suits in 1934 and 1935. Industrial Loan and Finance Corp. in 1934 had won judgments in 47 cases, settled another 32 cases out of court and at the end of the year had still another 28 cases pending. In 1935 they won 71 cases in court, settled 50 out of court and at year end had another 23 pending.



CANADA'S WAR MEMORIAL

As Canada solemnly observed the 19th anniversary of the Armistice this week, work was under way at Ottawa on clearing the site for the nation's memorial to those who died in the Great War. The memorial is pictured above. It was executed by the famous March family in England. Tenders have been called for construction of basic masonry work for the memorial.

Saint John Tonnage Higher in October

MONTREAL.—Tonnage handled by the Port of Saint John, N.B., in the month of October totalled 99,554 tons, compared with 72,769 tons in the same month of last year. Of this amount, 50,639 tons were imports and 48,915 tons were exports.

For the first 10 months of the current year tonnage handled by the port shows an increase of 285,370 tons to 1,567,151 tons.

Electrolux Corp. Pays 30-cent Extra on Stock

From Our Own Correspondent

MONTREAL.—Directors of Electrolux Corp. have declared an extra dividend of 30 cents a share, in addition to the regular quarterly dividend of 40 cents a share, both payable December 15 to shareholders of record November 15.

The last dividend, paid September 15, was accompanied by an extra disbursement of 10 cents.

Experts Prepare Briefs For Royal Commission

Never before in the history of Canada has there been a more formidable array of talent concentrating on a particular problem than is currently investigating Dominion-provincial relations with a view to making submissions to the Rowell Commission.

This is not surprising for the study of the division of financial responsibilities and taxation powers as between the provinces and the Dominion is the most important investigation undertaken in Canada since the Fathers of Confederation gathered together to unite this country under one central government. Inaugurated for the purpose of finding a solution to the pressing financial difficulties of some of the governmental units and to effect a more balanced relationship between the financial powers, obligations and functions of the various governmental bodies in keeping with efficient administration, results of the study should have important effects on the future of Canada.

Experts at Work

From one side of the Dominion to the other, staffs of governments, municipalities, municipal organizations and business organizations are hard at work preparing submissions covering taxation, costs of government, duplication of services, financial needs of governments, possible redivision of functions, tariffs and a wide range of related subjects.

In the case of most of the provinces, briefs are being prepared under the guidance of outside experts hired for the occasion. The commission, however, does not intend to depend upon evidence submitted by the provinces and other bodies. It has appointed its own staff of economists, taxation experts and constitutional authorities who will make independent studies.

Assigned Special Subjects

Each expert hired by the commission has been assigned a specific problem or phase of a problem to study. In addition, business organizations that will be submitting briefs have been asked to pay particular attention to specific questions. For instance, the commission has asked the Canadian Chamber of Commerce and the Canadian Manufacturers' Association to study in particular the question of taxation and duplication of services. The Canadian Bankers' Association, on the other hand, will pay special attention to burden of debt and attempt to suggest a solution for the debt problem of the western provinces.

The staff of the commission and many of the experts hired by the provinces have a distinctly academic tinge, being drawn largely from the economic and law departments of universities.

Study Regional Income

A group of economists under Dr. W. A. Mackintosh, head of the economics department of Queen's University, a member of the National Employment Commission and an authority on the economy of the western provinces, will appraise regional wealth and income as a preliminary to studies on taxation and a "re-examination of the economic basis of Confederation" His associates will be D. C. MacGregor, lecturer in public finance at the University of Toronto; Dr. Henry Laureys, dean of the School of Higher Commercial Studies, University of Montreal; Frank A. Knox, associate professor of economics, Queen's University; Dr. Paul LeBel, professor at L'Ecole Superieure du Commerce of Quebec City; and Dr. S. A. Saunders, Halifax, a recognized authority on the problems of the Maritime Provinces.

The taxation field will be studied by Dr. W. H. Wynne, a graduate of Queen's and Cambridge Universities, who for the past year has been engaged in making a private study on taxation for a group of Canadian industries; Prof. François Vezina of the School of Higher Commercial Studies, University of Montreal; and Carl Goldenberg, economist of the Canadian Federation of Mayors and Municipalities and lecturer at McGill University.

Former Alberta Auditor

Analysis of the financial history and present financial position of the governmental bodies in Canada will be directed by J. C. Thompson, former provincial auditor of Alberta and now associated with the chartered accountant firm of Clarkson, Gordon, Dilworth and Nash; and Stewart Bate, graduate of Glasgow, Edinburgh and Harvard Universities and former secretary of the Economic Commission of Nova Scotia.

Dr. A. E. Grauer, director of the social science department of the University of Toronto, and Prof. Esdras Minville, of the University of Montreal will direct review of the field of social services. Prof. Alex. Corry, professor of political science at Queen's University, will survey the growth of governmental functions since Confederation.

Constitutional aspects of the study will be undertaken by Dr. Leon M. Gouin, Montreal lawyer and a member of the faculty of commerce of the University of Montreal, and Vincent C. MacDonald, dean of the law school, Dalhousie University.

Western Provinces

For some months Dr. Jacob Viner, University of Chicago economist, and Dr. Alvin Hansen, head of the department of economics of the University of Minnesota, have been preparing a joint brief for the provinces of Saskatchewan and Manitoba.

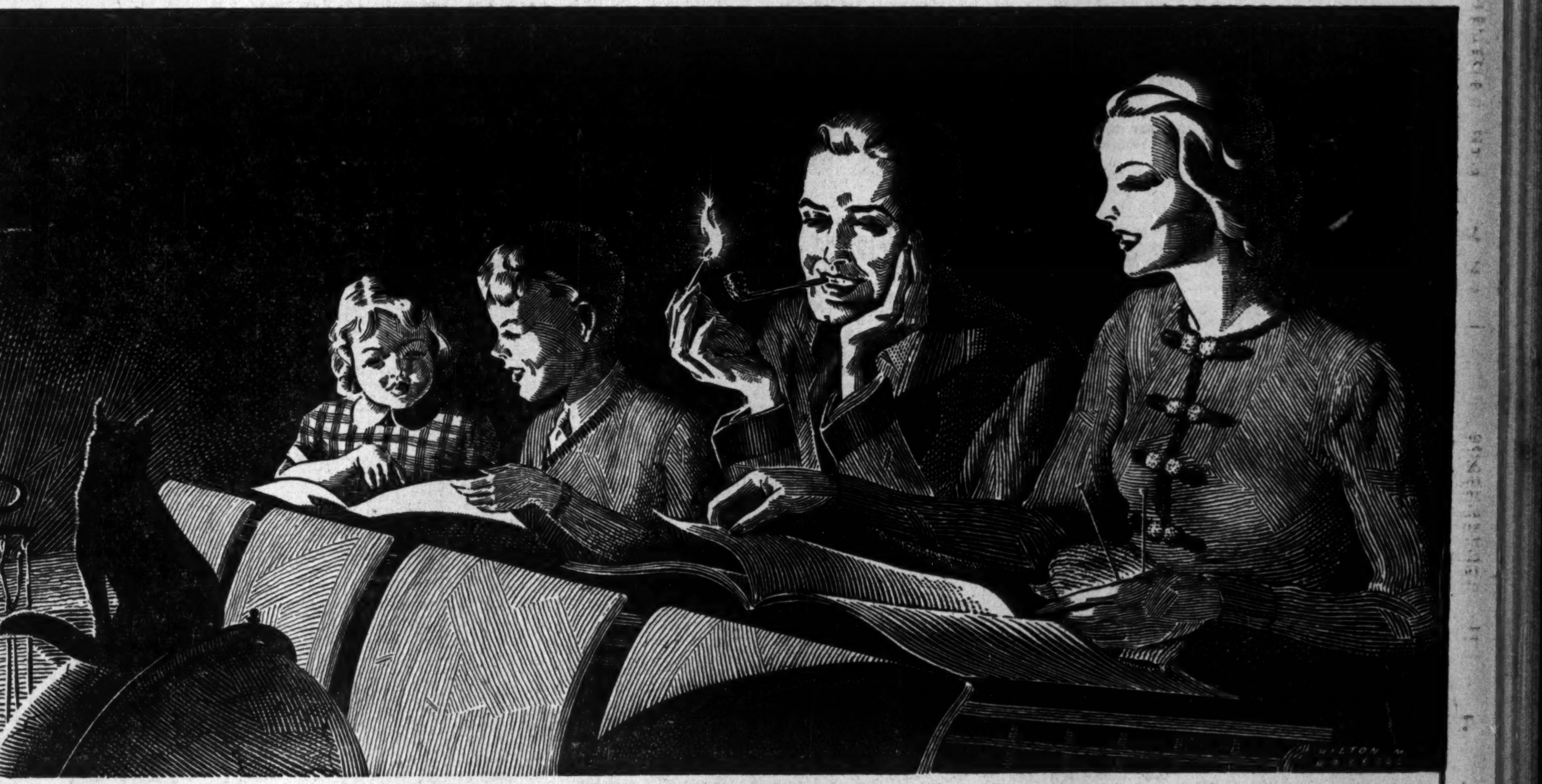
Dr. E. Schmidt, associate professor of economics, and Dr. C. W. Waite, professor of agriculture, are preparing a brief for the Alberta Government which the latter has now decided it will not submit directly to the commission, but merely make public. J. E. Brownlee, former Premier of Alberta, is associated with the preparation of this brief in the capacity of counsel.

In British Columbia, Senator J. W. deB. Farris, president of the Canadian Bar Association, is directing preparation of the Provincial Government's brief.

Quebec Has Commission

The Ontario Government has appointed Prof. K. W. Taylor, of McMaster University, and D. W. Lang, K.C., as its experts.

Quebec has appointed a royal commission of its own to make a study of taxation and governmental functions and it is hoped that this study will be completed in time for submission to the Rowell Commission. Edouard Monpetit, French-Canadian economist and secretary-general of the University of Montreal, is chairman of the commission. Other members are George C. MacDonald, chartered accountant and head of the firm of McDonald, Currie & Co.; and Arthur Larue, head of the chartered accountant firm of Larue and Trudel, Quebec City.



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CANADA'S MAGAZINES SELL CANADIANS

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NATIONAL COVERAGE FROM SEA TO SEA

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 8

[illegible]

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Of which $2 is capital distribution.

Mining Stock Quotations

WEEK ENDED NOVEMBER 8

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

November 9, 1937

Public Utility Issues	Int. Rate %	Due	Bid Nov. 9	Asked Nov. 9	Bid Nov. 2
†Assoc. Tel. & T.	5½	'55	76	79	79
Beauharnois P.	5½	'73	61	64	61½
‡Bell Telephone	5	'57	117½	120½	117
B. C. Power ...	4½	'60	98	101	98
B. C. Tele.	4½	'61	103	106	103
‡Calgary Pwr. ..	5	'60	94	97	92
†Can. Nor. Pwr.	5	'53	103	106	102½
‡Dom. Gas & El.	6½	'45	78½	81½	77½
‡Gatineau Pwr..	5	'56	102	105	101
‡Do., A	6	'41	100	103	99½
‡Inter. Hydro-E.	6	'44	64½	67½	65½
‡Inter. Power ..	6½	'57	96½	99½	95½
†Macl'n-Que. Pr.	5½	'61	100½	103½	100½
†Mtl. L., H. & P.	3½	'56	99½	102½	99½
†Mtl. Tramways	5	'41	100	103	100
N. S. L. & Pr. .	4	'57	97	100	96½
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp. ..	4½	'59	98	101	98
Que. Pwr.	4	'62	94½	97½	93½
Saguenay P., B	4½	'66	102	105	101
Shaw. W. & Pr.	4	'61	98½	101½	97½
Wpg. Elec., A .	4	'65	61	64	64
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	65	68	67
B. A. Oil	4	'45	102	...	102
Brown & Co. ..	5½	'46	75	78	77
Canada Bread .	6	'41	107	110	107
Canada Cement	4½	'51	101½	...	101
Canada Paper .	4½	'52	96	99	96
Can. Steamship	5	'57	74½	77½	74
Can. Canners ..	4	'51	98	101	98½
‡Can. Inter. Pap.	6	'49	98½	101½	99
C. P. R.	3½	'51	91	94	91
Do.	4	'49	94½	97½	94½
Do.	4½	'44	99	102	99
Do.	6	'42	104½	106	104½
Do., debs. .	4 perp.		87½	88½	84
†Consol. Paper .	5½	'61	48	51	64
▲Dom. Stl. & C.	6½	'55	97	100	97
Dom. Tar	4½	'51	100	103	100
†Donnacona P. .	4½	'56	76	79	78½
†Famous Players	4½	'51	95½	98½	95½
†Federal Grain .	6	'49	80½	83½	80½
†Fraser Cos. ...	6	'50	100	103	100
†Gen. Steel W. .	4½	'52	91½	94½	92½
Great Lakes P.	5	'55	92½	95½	93
†Gypsum, Lime.	5½	'48	98	101	97½
Lake St. John P. & P.	5½	'61	96½	99½	96½
†Massey-Harris .	5	'47	93	96	95½
†McColl-Front. .	6	'49	102½	105½	102
‡M. & O. Paper	6	'45	41½	44½	44½
†Price Bros.	5	'57	98	101	97½
‡Prov. Paper ...	5½	'47	101	...	100½
†Restigouche C..	6	'48	99	102	99
†Simpsons Ltd. .	4½	'51	93½	96½	93
†Smith, Howard	4½	'51	101½	...	101
†Steel of Canada	6	'40	109	112	109
Union Gas	4½	'50	98	101	97½

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K.

Mining Dividends

	Rate	Close Nov. 8	Yield %
Anglo-Huronian	20c	3.50	...
Beattie Gold	5c	1.28	...
Bralorne	40c+35c	7.80	*9.6
Buff. Ankerite ..	30c+22½c	11.63	*6.2
Bulolo Gold	3c	28.00	10.7
Can. Malartic	†5c	1.04	...
Cariboo	10c	1.62	6.2
Central Patricia	12c	2.55	...
Coniagas	12½c	1.85	...
Coniaurum	5c	1.35	...
Cons. Smelters	50c+$1	52.12	*2.4
Dome Mines	$4	47.25	8.4
Falconbridge	30c	4.95	6.1
Hollinger	65c+30c	12.50	*7.6
Howey Gold	4c	.30	...
Hudson Bay	75c	19.50	...
Inter. Mining	45c	8.50	5.3
Inter. Nickel, com. .	$2+25c	41.75	*5.3
Island Mountain	5c	.77	...
Kerr Lake	5c	.37	...
Kirk. Lake	9c	1.27	...
Lake Shore	$4+$1	52.00	*9.6
Lava Cap. M.	10c	.99	...
Little Long Lac	30c	4.85	6.2
Macassa	20c	5.25	3.8
McIntyre	$2	37.50	5.3
McKenzie Red Lake	4c	1.12	...
McKinley Sec.	5c	.25	...
Noranda	‡$1.75	45.50	3.8
Nor. Can. Mining ..	6c	.65	...
Nipissing	37c	2.00	...
Placer Develop.	$1.20	15.00	8
Premier	12c+4c	2.29	*7
Pioneer, B.C.	40c	3.45	11.6
Pickle Crow	40c	5.55	7.2
Reno	12c	.81	14.8
San Antonio	14c	1.48	...
Sheep Creek	8c+2c	.94	*10.6
Siscoe	20c+1c	3.70	*5.6
Sudbury Basin	†10c	2.50	...
Sullivan Cons.	5c	1.07	4.7
Sylvanite	20c+5c	3.15	*7.9
Teck-Hughes	40c+5c	5.15	*8.7
Toburn	8c+1c	2.29	*3.9
Ventures	†12½c	4.75	...
Wright-Harg.	40c+30c	7.60	*9.2
Yankee Girl	1c	.23	...

‡Interim. †Initial.
*Yield includes bonus.

Municipal Bonds

November 10, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax ...	5	1961	111.00	113.00	4.14
Hamilton ..	5	1950	110.00	112.40	3.75
Montreal ...	5	1945	104.00	106.00	4.05
Ottawa	4½	1945	106.25	108.25	3.25
†Quebec . .	5	1959	104.50	106.00	4.57
Saint John.	5	1960	106.00	108.00	4.22
†Toronto ...	4½	1955	111.00	113.00	3.50
†Vancouver.	5	1950	87.00	91.00	6.03
Winnipeg ..	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Nov. 9	28,200	108,400	532,000
Nov. 8	38,400	76,300	459,000
Nov. 6	18,400	72,000	372,000
Nov. 5	29,400	181,700	1,213,000
Nov. 4	35,900	96,000	702,000
Nov. 3	34,700	103,100	679,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.25	3.50
Can. Invest. Fund	3.50	3.85
All Can. Trustee	11.00	11.75
Trans Canada	11.45	12.20
Grouped Income	4.52	5.00
Can. Equity	12.00	....
Can. Int. Tr., modified	5.25	5.75
Do., unmodified	4.75	5.25

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 9, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.00	4.75
Acme Farmers Dairy, pfd. .	30.00	....
Algoma Steel Corp., com. ..	7.25	8.25
Do., pfd.	53.00	56.00
Andian National	47.50	49.50
Barrymore Cloth, pfd.	25.00	28.00
Brandram-Henderson, com..	5.35	6.00
Do., pfd.	20.50	....
B. C. Pulp & Paper, com. ..	23.00	25.00
Do., pfd.	82.50	87.00
Burns & Co., A	7.50	....
Do., B	2.75	3.25
Can. Wire & Cable, pfd. ...	113.00	115.00
Can. Airways	4.00	5.50
Can. Industries, A com. ...	200.00	....
Do., B com.	195.00	200.00
Do., pfd.	158.00	161.00
Can. Ingersoll Rand	111.00	114.00
Can. Tube & Steel, com. ..	6.50	8.00
Do., 1st pfd.	89.00	93.00
Do., 2nd pref.	20.00	24.00
Can. Westinghouse	52.50	55.00
Chase, A. W., pfd. bonus ...	28.25	....
Conduits Nat., com.	3.75	4.50
Dominion Woollens, pfd. ...	2.00	3.00
Dunlop Tire, pfd.	75.00	83.00
Federal Grain, pfd.	23.00	26.50
Goderich Elevator	3.85	4.15
Guelph Carpet, pfd.	103.50	105.00
Do., com.	22.25	23.50
Hayes Steel Prod., com.	6.50	7.50
Do., pfd.	7.00	8.25
Highland Dairy, pfd.	77.00	82.00
Huether Brewing, pfd.	2.00	....
Kingston Shipbuilding Units	7.75	....
Loblaw Inc., pfd. bonus ..	....	86.00
McCormick's, com.	3.50	4.50
Morrison Brass, pfd. bonus .	8.00	10.00
Mount Royal Hotel, pfd. ...	2.75	3.50
New Meth. Laund., pfd. bon.	87.00	92.00
Paterson, Wm., pfd.	100.50	....
Perfection Pete., pfd.	21.00	....
Provincial Paper, pfd.	106.50	108.00
Reliance Grain, pfd.	....	70.00
Rob. Consol. Cone	8.75	9.50
Ruddy, E. L., pfd.	....	32.00
Seal O Sac (Can.)	5.00	7.00
Standard Fuel, com.	3.00	4.50
Do., pfd.	72.50	77.00
Supertest Pet., B pfd.	27.00	28.50
Toronto Carpet, com.	50.00	54.00
Do., pfd.	58.50	61.00
United Farmers Co-op.	2.25	....
United Steel, A pfd.	15.75	16.75
Viceroy Mfg., pfd. & rts. ...	17.50	19.00
Western Grain, pfd. bonus .	5.00	6.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.60	.80
Trusts and Loan Stocks:		
Chartered Trust	98.50	102.00
Commercial Finance, com. .	2.50	3.00
General Trust of Can., pfd. .	111.00	116.00
Guelph Ont. Inv., par $50 .	52.00	....
London & West. Trust	51.50	55.00
Premier Trust	80.00	87.00
Prudential Trust	7.00	....
Sherbrooke Trust	120.00	....
Sterling Trust	41.00	....
Traders Fin., A com.	13.75	15.00
Do., Inc. rights	10.50	12.00
Do., B pfd. bonus	89.00	92.00
Trusts & Guarantee	27.00	28.50
Insurance Stocks:		
Canada Life	535.00	....
Canadian Ins. Shares	19.50	21.00
Confederation Life, 20% pd.	111.00	113.00
Continental Life, 20% pd. ..	39.00	....
Crown Life, fully pd.	200.00	....
Dominion Fire	130.00	....
Dom. of Can. Gen.	122.00	128.00
Empire Life, 25% pd.	12.75	13.50
Federal Fire, 25% pd.	43.50	....
Great West Life	300.00	315.00
Guar. of N.A., fully pd. ...	355.00	375.00
Halifax Fire	22.75	23.75
Imperial Life	345.00	355.00
Manufacturers Life	250.00	270.00
Monarch Life, 10% pd.	22.50	25.00
Soverign Life, 25% pd.	14.00	16.50
Sun Life	400.00	425.00
Western Assce., pfd.	40.50	43.00
Do., com	48.00	51.00
Theatre Stocks:		
Allens College, pfd.	56.00	....
Do.. Kingston, pfd.	65.00	....
Do., St. Catharines, pfd. ..	60.00	....
Do , Tor., pfd. bonus com.	33.00	....
Loew's London, pfd.	2.00	3.00
Mansfield Theatre, pfd.	24.00	26.50
Paramount Kitchener, pfd. .	56.50	60.00
Do., Oshawa, pfd.	87.50	92.00
United Amusement, A, V.T.	18.50	20.00
Do., B	18.50	20.00
Investment Trust Shares:		
Can. Investment Fund	3.50	3.85
Can. Investors	6.25	7.25
Cons. Div. Std. Sec., com. .	.20	....
Do., pfd.	10.00	....
Corporate Investors	6.10	6.50
Invest. Found., pfd. bonus .	51.00	54.00
Lon. Can. Invest., com.	3.00	4.50
Sec's. Hold., pfd. bonus	17.50	19.50
United Corpns., A	18.50	21.50
Do., B	11.00	14.50
Power Issues:		
Can. West. Nat. Gas, com. .	24.00	26.50
Do., pfd.	84.50	87.00
Foreign Power Sec's., pfd. .	4.50	7.00
Great Lakes Power, pfd. ...	98.00	....
Inter. Util., $1.75 pfd.	8.00	10.00
Do., $7 pfd.	92.00	96.00
Montreal Island Pwr., pfd. .	18.00	....
New Brunswick Tel., com. .	14.00	15.50

Winnipeg Stocks

Transactions from Nov. 1 to Nov. 6

	Sales	High for period	Low for period	Close Nov. 6
Canadian Fire ..	28	80.00	80.00	80.00
Flin Flon	2,800	.05	.05	.05
Gt. West Life ...	50	300.00	300.00	300.00
Great Falls M. ..	500	.03	.03	.03
Gurney	6,200	.29	.25	.28
Nothern Mtge. ..	150	2.00	2.00	2.00
Scotia Gold	2,000	.02	.01½	.01½
Sachigo River ..	250	10.00	9.00	9.00
United Grain ...	28	7.00	7.00	7.00
West. Steel, pf. ..	5	14.00	14.00	14.00
Wylie Dom.	1,960	.22	.20	.20
Wpg. R. Tin ...	1,000	.01½	.01½	.01½
Wings Ltd.	1,000	.75	.75	.75

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Federal Grain, com.	1	...
Federal Grain, pref.	...	27½
Home Investment	...	23
Reliance Grain, pf.	...	72
Northern Can. Mtge., pf.	3	...
Northern Trust	...	5
West. Breweries	1¼	...
Traders Bldg.	82.50	...

*Stocks more active on other exchanges not included.

Unlisted Mines

Nov. 9, 1937

	Bid	Asked
Albany R. ..	.47	.50
Athona	.11½	.12½
Algold	.34	.36
Armisti'e ...	.05	.08
Arno	.02½	.03½
Area	.02	.03
Augite	.14	.17
Bailor	.02	.03
Barb. Lr. ...	.36½	.37½
B.E.A.R.	.16	.18
Bilmac	.11½	.12½
Baldwin	.01½	.02
Cuniptau ...	.04½	.05½
Calder B. ..	.04	.05
Callinan Flin Flon .	.02	.03
Can. Pan. ..	.06	.09
Can. Kirk. ..	.01½	.02
Canda'ca ...	..	.27
Chesterville .	..	.95
Coin Lake ..	.03	.05
Condor (old)	.05¼	.05¾
Con'l Kirk. .	.30	.32
Cooke Lake..	.19	.23
Coulson C. ..	..	.05
Cres. Kr. ...	.03¾	..
Dawson	.03½	.04½
Denison N. ..	.20	.23
Desantis (new)	.20	.23
Doreva	.06	.07
Delosha P. ..	.16	.18
Dunlop (new)	.13	.15
El Bonanza..	.07	.09
Elec. Por. ..	.04	.06
Eva Lake ..	.04	.04½
Elmos	..	.10
Faulke'm ...	..	.15
Fernland	.14	.16
Frontier	.06	.07
Galatea	.01	.01½
Garnet	.02	.03
Gate Pt. ...	.03	.05
Gilbec	.01¾	.02½
Gold Rg. ...	.02	.03
Goldside ...	.02½	.03
Goldwin G...	.43	.45
Gord. Lb. ..	.05½	.05½
Gull Kir. ...	.01½	.02½
Heva Cd.	.11	.13
Hud. Pat. ..	.03¼	.03¾
Hislop	.03½	.04½
Hutch. Lk....	.09½	.10½
Horseshoe ..	.01	.01½
Hugh PP. ...	.05½	.06½
Hudson B. .	.15	.28
John Nip. ..	.01	.03
Kaw Crow .	.03	.05
Kenecho	.04	.07
Kenland	.02	.03
Kenricia	.28	.31
Kewaga'a ...	.24	.25
King Kirk...	.01	.02
Kirk-Vit. ...	.05	.06
Kirk. Hud....	.03	.03½
Lafayette ...	.02½	.03
L. Geneva ..	.24	.27
Lamaque ...	6.25	6.50
Lardego	.08	.08½
Magnet L. ..	.05½	.06½
Magnet C. ..	..	.20
Malartic	.20	.24
Maniwak. ...	1.30	1.40
Mart. Mc. ..	.07	.09
Mart. Bl. ...	.35	.37
Mata. Cn. ..	.08	.10½
Moffatt (new)	.04	.05
MacFarland .	.07¾	.08
McC'y W. ...	.14	.16
McV. Kir. ..	.03	.03½
Monarch	.04½	.05
Mooshla	.07	.09
Mosher	.11	.12
Norlake	.03	.05
North Shore.	.01½	.02
Oklend	.13	.15
Oliver S. ...	..	.14½
O'Leary	.04	.05
Opem. Cp. .	.04	.06
Oriole	.09	.09½
Ossian	.01½	.01¾
Pascalis	.36½	.37
Porc. Mc. ...	.03	.04
Porc. Un. ...	.04	.06
Plains P.	2.10	2.50
Porc. GR ...	.01	.01¾
Potterdoal ..	.01	.01½
Porc. Tri. ..	.06	.08
Pon. Rou. ...	.12	..
Pelangio	.04	.05
Propr'y	1.25	1.30
Que. Man. ..	.42	.44
Rajah	.03¾	.04½
Ribago (new)	.12½	.13½
Rouyn R. ...	.03½	.04½
Rubec	.02¾	.03
Sand River...	.23	.25
Shenango ...	.12	.13
Siscoe E.	.23	.25
Smelter	.01¾	.02¼
Spooner	.05½	.06½
Sturgeon R. .	.20	.25
Springer	.07	.09
Sun Bear ..	..	.12
Tonawanda .	.02	.03
Upper C.	.21	.23
Wascana	.04½	.05½
Williamson ..	.06	.07
Wesley	.08	..
Westside	.05	.05½
West R. L...	.01½	.02½
White H.	.07	.09
Wendigo	.17½	.18
Winoga	.06	.08
Ypres C.	.09	.11
Young D. ...	.26½	.28
Woco	.16	.19

Government Bonds

Dominion of Canada Bonds

Nov. 9, 1937	Bid	Asked	Approx. Yld.
15 Nov. '39	100.15	100.65	1.68
15 Oct. '39	101.15	101.65	1.61
15 Oct. '39	103.75	104.25	1.78
1 June '40	98.85	99.35	1.76
1 Sept. '40	106.15	106.65	2.07
15 Mar. '41	96.65	97.15	1.86
15 Nov. '41	109.25	109.75	2.45
15 Oct. '42	102.50	103.00	2.36
1 June '43	100.00	100.50	2.40
15 Oct. '43	110.85	111.35	2.91
15 Oct. '44	109.50	110.00	2.91
15 Nov. '44	98.10	98.60	2.72
15 Aug. '45	98.50	99.00	2.84
15 Oct. '45	105.50	106.00	▲2.90
1 Feb. '46	109.50	110.00	3.12
1 June '49	99.50	100.00	3.25
15 Oct. '49	101.25	101.75	▲3.21
15 Nov. '51	98.80	99.30	3.31
15 Oct. '52	105.25	105.75	▲3.32
1 June '55	95.65	96.15	3.28
1 Nov. '56	109.00	109.75	▲3.24
1 Nov. '57	109.25	110.00	▲3.32
1 Nov. '58	109.75	110.25	▲3.38
1 Nov. '59	110.00	110.50	▲3.43
15 Jan. '61	98.50	99.00	3.31
1 June '66	97.75	98.25	3.34
Perp. bds.	85.65	86.15	3.48

Dominion Guaranteed Bonds

Canadian National Railway:	Bid	Asked	Yld.
1 May '44	100.50	101.50	2.75
15 Dec. '50	95.50	96.50	3.33
15 Feb. '53	94.75	95.75	3.35
1 Sept. '51	112.25	113.25	3.31
1 Feb. '56	112.75	113.75	3..8
1 July '57	112.00	113.00	3.58
15 June '55	115.00	116.00	3.53
1 Feb. '54	115.75	116.75	3.63
1 July '69	115.25	116.25	▲2.98
1 Oct. '69	117.50	118.50	▲3.45

Provincial Government Bonds

	Bid	Asked	Yld.
New Brunswick:			
1 Sept. '54	98.50	100.00	4.00
15 Apr. '61	102.50	104.00	4.23
15 Jan. '60	108.00	109.50	4.33
Nova Scotia:			
2 Sept. '45	97.00	98.50	3.22
15 May '43	105.50	107.00	3.12
15 Sept. '52	107.50	108.75	▲3.45
1 Mar. '60	115.00	116.50	3.89
Ontario:			
1 Dec. '51	95.00	96.00	3.35
1 June '62	104.50	106.00	3.63
1 June '50	109.50	110.50	3.48
15 Jan. '62	112.00	114.00	3.63
15 Oct. '48	113.50	114.50	3.41
2 Dec. '60	117.50	119.00	3.77
1 July '46	115.00	116.00	3.35
Ont. Hydro Comm.:			
1 Apr. '47	101.25	102.25	3.22
1 Jan. '70	115.50	117.00	3.83
Prince Edward Island:			
1 Oct. '45	97.00	98.50	3.21
Quebec:			
15 Mar. '52	104.50	106.00	3.47
1 Aug. '58	107.50	109.00	3.63
2 Jan. '63	109.00	111.00	3.82
Alberta:			
15 Dec. '54	51.50	53.00	§
1 Dec. '57	52.00	53.50	§
1 Oct. '51	60.50	63.50	§
1 Oct. '56	53.00	55.00	§
1 Jan. '48	55.25	56.75	§
1 Sept. '55	55.00	56.50	§
1 Oct. '59	55.50	57.00	§
1 Jan. '47	57.00	59.00	§
1 Mar. '47	61.00	63.00	§
British Columbia:			
1 Dec. '57	89.50	91.00	4.69
15 Jan. '51	95.00	98.50	4.85
1 Oct. '53	95.00	96.50	4.82
15 Jan. '48	99.00	100.00	5.00
1 Sept. '53	99.00	100.00	5.00
1 Feb. '45	100.50	102.00	5.16
15 Feb. '47	101.50	102.50	5.65
Manitoba:			
2 Jan. '50	83.00	84.00	5.82
1 Dec. '57	83.50	85.00	5.40
15 Dec. '56	84.00	86.00	5.70
15 June '54	92.00	94.00	5.56
2 Dec. '59	92.00	94.00	5.47
1 Oct. '55	93.00	95.00	5.96
1 Apr. '47	98.00	99.00	6.14
Saskatchewan			
15 Aug. '53	59.00	61.00	8.50
1 Nov. '60	59.00	61.00	7.62
2 July '45	70.00	73.00	9.55
1 Oct. '51	73.00	75.00	7.40
15 Mar. '60	63.00	65.00	7.83
1 Aug. '58	67.00	70.00	7.97
15 Nov. '46	73.00	76.00	9.50
1 Oct. '52	72.50	75.50	8.40
15 Mar. '52	75.50	77.50	8.77

Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. Payable Can. & N.Y. ■Payable N.Y. Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Assoc. Tel. & T., pf.	49c	Nov. 15	Nov. 1
Do., 6% pref.	42c	Nov. 15	Nov. 1
Amer. Cyan., A, B	$1	Nov. 26	Oct. 18
Anglo-Huronian	10c	Jan. 3	Dec. 15
Aluminium pfd.	$1.50	Dec. 1	Nov. 15
Do., arrears	$20	Dec. 1	Nov. 15
Bulolo Gold	$1.50	Dec. 10	Nov. 19
Bk. Can. Nat'le.	$2	Dec. 1	Nov. 15
B. C. Tel. 2nd pf.	$1.50	Nov. 1	Oct. 16
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Borden Co., c.	40c	Dec. 1	Nov. 15
Bk. of Montreal	$2	Dec. 1	Oct. 30
Bk. of Toronto	$2.50	Dec. 1	Nov. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Brewers & Dist.	$1	Nov. 15	Oct. 15
Buff. Ankerite	12½c+10c	Nov. 15	Nov. 1
Commonwealth Int'l.	4c	Nov. 15	Oct. 15
Calgary & Ed.	5c	Dec. 15	Dec. 1
Can. Bk. of Comm.	$2	Dec. 1	Oct. 30
Crown Cork	20c	Nov. 15	Oct. 30
Do., extra	20c	Nov. 15	Oct. 30
Cosmos Imp.	25c	Nov. 15	Oct. 30
Do., pref.	$1.25	Jan. 15	Dec. 31
Can. Iron Fds. .. pf.	$1.50	Nov. 15	Oct. 31
Candn. Car, pfd.	44c	Jan. 10	Dec. 27
Do., arrears	50c	Nov. 22	Nov. 10
Candn. Oil	12½c	Nov. 15	Nov. 1
Do., pref.	$2	Jan. 1	Dec. 20
Chase, A. W., pf.	50c	Nov. 10	Oct. 31
Corporate Inv.	6½c	Nov. 15	Oct. 31
Corr. Pap. Box, pf.	$1.75	Dec. 1	Nov. 15
Can. W. & Cab. pf.	‡$6.75	Dec. 1	Nov. 18
Dom. Bridge	30c	Nov. 15	Oct. 30
Dom. T. & Ch., pf.	$1.37½	Nov. 15	Oct. 29
Electrolux	40c	Dec. 15	Nov. 15
Do., extra	30c	Dec. 15	Nov. 15
East. Twp. Tel.	▲	Apr. 15'38	Dec. 31
Falconbridge N.	7½c	Dec. 30	Dec. 8
Frost Steel, 1st pf.‡	$19.25	Nov. 10	Nov. 1
Foundation Pete.	*	Nov. 20	Oct. 31
Inter. Nickel, c.	50c	Dec. 31	Dec. 1
Do., extra	25c	Dec. 31	Dec. 1
Island M'tn. M.	5c	Nov. 15	Nov. 3
Kelvinator, pfd.	$1.75	Nov. 15	Nov 4
Laura Secord	75c	Dec. 1	Nov. 15
Loblaw Groc., A, B	25c	Dec. 1	Nov. 10
Do., extra	12½c	Dec. 1	Nov. 10
Lake of W. M., pf.	$1.75	Dec. 1	Nov. 15
Do., arrears	$7	Dec. 1	Nov. 15
McColl-Front., c.	10c	Dec. 15	Nov. 15
McIntyre Porc.	50c	Dec. 1	Nov. 1
Monarch Rylties	*	Nov. 27	Nov. 20
Mtge. Corp. of N.S.	$1.75	Nov. 1	Oct. 24
Nat. Biscuit	40c	Dec. 15	Nov. 12
Do., pref.	$1.75	Nov. 30	Nov. 12
Neon P. W. Can. pf.	$1.50	Nov. 1	Oct. 20
N. S. Light & Pr., p.	$1.50	Dec. 1	Nov. 15
Placer Dev.	†60c	Dec. 10	Nov. 19
Ont. Steel, pfd.	$1.75	Nov. 15	Oct. 31
Penmans	75c	Nov. 15	Nov. 5
Quebec Power	25c	Nov. 15	Oct. 25
Reinhardt Brew.	15c	Dec. 1	Nov. 15
Royal Bank	$2	Dec. 1	Oct. 30
Rolland Paper	25c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 1	Nov. 15
Shaw. W. & P.	20c	Nov. 15	Oct. 27
So. Can. Power, c.	20c	Nov. 15	Oct. 30
Sullivan Cons.	2½c	Nov. 15	Oct. 30
S. Am. Gold & Plat	10c	Nov. 24	Nov. 8
St. Law. Corp., A pf.	‡$1	Nov. 15	Nov. 1
Stand. Steel, A, pf.	75c	Jan. 1	Dec. 15
Do., arrears	75c	Jan. 1	Dec. 15
Tor. Elevators pf.	65c	Dec. 7	Nov. 23
Toburn Gold	2+1c	Nov. 22	Oct. 22
Union Gas	20c	Dec. 15	Nov. 20
United Corp., A	‡75c	Nov. 17	Oct. 30
United Fuel, pf.	$1	Dec. 15	Nov. 30
Vulcan Oils	5c	Dec. 20	Nov. 30
Walker-G. & W.	$1	Dec. 15	Nov. 26
Do., pref.	25c	Dec. 15	Nov. 26
Ymir Yankee Girl	1c	Dec. 1	Nov. 10

*Amount not yet set. ‡On arrears. †Interim.
▲18 cents declared quarterly; 36 cents payable Apr. and Oct. 15.

Listed Bonds

Week Ended Nov. 8

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. P. Debs.	3	'39	50¼	...	50¼	50¼
Dom. Loan	4½	'58	109¼	...	109¼	...

A. J. PATTISON Jr & CO Ltd
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Week in Wheat

Strong Export Demand Sends Wheat Upward

Sudden Burst of European Buying, Coupled With Scant Available Supplies, Reverses Month-old Downward Trend

From Our Own Correspondent

WINNIPEG.—Thinness of the wheat market in so far as immediate supplies are concerned was again indicated by the sudden upward turn of prices early this week. This followed a month of weakness and several severe breaks. Export demand both here and at Chicago coupled with a better feeling in the security markets were main immediate factors in the rise.

The balance between current available supplies and demand is now getting so close that further sharp fluctuations are to be expected at least until progress of Southern Hemisphere crops removes danger of serious deterioration. European buyers are now fairly well convinced that no acute shortage of wheat is probable this year but neither is any considerable surplus indicated. As a result any stoppage in shipments from Russia or elsewhere is signal for an immediate rise and the same would be true if last year's big importers, Italy and Germany, again find it necessary and possible to come into the market for orders larger than anticipated

Easier Feeling

No single cause was responsible for the recent bearish tone which prevailed. Various forces all tending to drive wheat prices down, were at work both in Liverpool and Chicago, and the price decline in Winnipeg was a reflection of events in both those markets. Liverpool for the time being was impressed mainly by opinion that southern hemisphere crops are likely to be 40 or 50 million bushels more than earlier estimates. Australia is now credited with 163 millions, and Argentina with perhaps 227 millions.

Only a short time ago current opinion put probable Australian production at about 140 millions, and Argentine at under 200 millions. The higher figures are not yet to be taken as assured, for there are varying estimates as to effects of recent frost damage in Argentina, and as to recovery of the Australian crop. Russia has been continuing fairly large weekly shipments of wheat. The feeling which prevailed earlier in Europe that there might be an acute wheat shortage this year seems to have receded though as stronger prices of the last few days indicate, it has not completely disappeared.

* * *

Stock Crash Effects

Bearish sentiment at Chicago traces to different reasons, of which the stock market decline and a recession in general business have been the chief. The notion was formerly prevalent that the basis had been laid for general inflation and a rise in both security and commodity prices. As a result there had been some buying of wheat as a hedge against price changes. When opinion on these matters was reversed there was liquidation in the wheat market.

Another major factor is the maturing of a large corn crop, estimated at about 2.6 billion bushels. This should provide plentiful supplies of feed grain, of which the country has been short during the past two years. During that period large quantities of wheat have been fed to livestock, a practice that should now be cut to small proportions. Also contributing to the change is the small extent to which the export surplus of wheat in the United States has been disposed of during the past few months.

It was generally expected that there would be a strong overseas demand for United States hard winter wheat but comparatively small quantities have so far been exported, in spite of prices much below those prevailing for Canadian wheat.

* * *

Dry Again in U. S.

These different bearish factors last week overshadowed news tending in the opposite direction. The most important in this respect is the relatively poor condition of the United States winter wheat crop, mainly because of lack of moisture over a considerable area. Unsatisfactory growth to date leaves much of the crop in a poor condition to go into the winter, and creates the possibility of extensive winter killing. That possibility now seems to be realized both on this continent and in Europe.

* * *

Spreads Remain

Price fluctuations have not interfered with the wide spreads prevailing for cash wheat over distant futures. July for example, went on the board at less than $1 per bushel, and at five cents a bushel discount under the May, whereas a premium position might have been expected. November continues at some seven cents over the May, and cash No. 1 northern at 22 cents or so above the November.

* * *

Minimum Price For Durum?

Durum wheat has gone well under 90 cents a bushel for the top grade. This is likely to lead to some demand from farmers who still have such wheat for sale for the Wheat Board standing offer to take it at 87½ cents a bushel. It was announced early in the season that a minimum price of that amount would be guaranteed on No. 1 northern wheat, and that the wheat board would begin to buy wheat if the market fell below that basis. There was no guarantee that durum wheat should sell on that basis, but during the previous two years durum growers got accustomed to thinking of their product as worth, sometimes, a good deal more than the northern grades. Now, however, the best durum wheat is bringing less than No. 1 northern by almost 50 cents a bushel.

It is not generally expected that there will be any government compliance with such a request. Durum farmers had, on the whole, larger crops than any other group of farmers in the West, and most of them have already marketed their wheat at prices much higher than those now prevailing. Moreover, there is nothing in the Wheat Board Act or in statements made in connection therewith to imply a special guarantee on the price of durum wheat. But room for controversy has certainly developed, and that may be expected to occur if durums drop to still lower prices.

Commodities

Wholesalers are watching closely the position of inventories. During the commodity price rise of six months ago stocks were accumulated rapidly and to a large extent current business is being carried on largely out of these accumulations. Until there is considerably further liquidation retailers and manufacturers appear to be loath to purchase freely.

Price Range

	Latest week	Previous week	Same week last yr
Cattle	$8.50	$7.50	$5.50
Hogs	9.00	8.65	8.00
Copper, lb.	.12	.12	.10½
Cotton, lb.	.0785	.0824	.1235
Rubber, lb.	.1444	.1572	.1750
Sugar, raw, lb.	.0323	.0317	.0367
Silk, lb.	1.71½	1.76	1.84½
Wheat, Man. (bu.)	1.32⅝	1.35¾	1.11⅜
Coffee, lb.	.07½	.09	.08½
Hides	.11¾	.12½	.11¾

Weekly Indices

	Latest week	Previous week	Same week last yr
Canada (D.B.S.)	84.4	84.7	76.8
N. Y. Annalist	89.6	89.8	85.1
Fishers'	89.7	88.1	84.7
N. Y. Journal of Comm.	82.1	83.4	82.5
Crumps (Brit.)	79.4	80.3	73.2

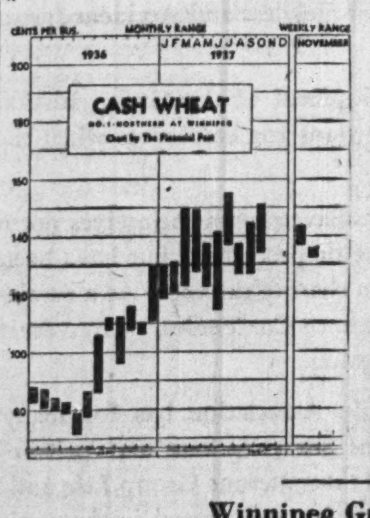
Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	84.1	83.6	81.1
W'sale (Oct.)	85.9	85.0	76.0
U. S. (Aug.)	87.5	87.9	81.6
Gt. Brit. (Aug.)	111.4	111.5	95.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto; Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto

Wheat Prices



(Cash Quotations)

	For Week Nov. 9 High	For Week Nov. 9 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.35¾	1.32⅝	1.43⅞	1.37⅛
1 Northern	1.35¾	1.32⅝	1.43⅞	1.37⅛
2 Northern	1.31¾	1.28⅝	1.37⅞	1.32⅛
3 Northern	1.09⅝	1.06⅝	1.16⅞	1.11⅝
4 Northern	1.02⅝	.98⅝	1.09⅞	1.04⅛
5 Wheat	.96⅝	.92⅝	1.05⅞	.99⅛
6 Wheat	.91⅝	.87⅝	1.02⅞	.94⅛
Feed Wheat	.70⅝	.66⅝	.77⅞	.72⅛
Vancouver: Week to Nov. 8:				
1 Northern	1.25⅛	1.18⅝	1.34	1.27⅜

Competitive Export Prices:

Nov. shipments:	Week to Nov. 9 High	Low
No. 1 North (Atlan.)	1.65⅛	1.59⅝
No. 3 North. (Atlan.)	1.39⅛	1.33⅛
Australian, Dec.	1.30¼	1.25⅝
Australian, Jan.	1.25	1.20⅝
Indian (new crop)	1.33¼	1.27⅞
U. S. Hard Winters	1.24¼	1.13⅞
Argentine (Rosafe)‡	1.27	1.27
Rumanian	1.18⅝	1.13⅞
Russian	1.21⅝	1.18¾

‡Jan.-Feb., speculative offers.

Winnipeg Grain Futures

Week to Nov. 9, 1937

Crop year from Aug. 1, 1937 High	Low		Open Nov. 3	High for week	Low for week	Close Nov. 9
		Wheat				
1.34⅝	1.09¼	Nov.	1.18⅛	1.18⅛	1.09¼	1.13¾
1.29½	1.04¼	Dec.	1.14½	1.14⅞	1.04¼	1.09⅜
1.30¾	1.02¼	May	1.13⅛	1.13⅛	1.02¼	1.07⅜
1.03	.97⅝	July	......	1.03	.97⅝	1.02⅛
		Oats				
.52½	.45	Nov.	.48⅝	.48¾	.45	.46½
.51⅝	.40¼	Dec.	.45½	.45⅝	.42⅞	.43½
.51	.41¼	May	.44	.44⅝	.41¼	.42½
		Barley				
.61⅞	.57⅞	Nov.	.59⅛	.60¼	.57⅞	.60
.65⅞	.52½	Dec.	.57⅞	.59⅛	.54⅜	.58
.64½	.53¾	May	.56	.57½	.53¾	.56¾
		Flax				
1.79¾	1.73¾	Nov.	1.74¾	1.76	1.73¾	1.76
1.80¼	1.70	Dec.	1.74	1.74	1.70	1.73
1.82	1.69¾	May	1.74	1.74	1.69¾	1.73
		Rye				
.95	.67⅞	Dec.	.79¾	.79¾	.67⅞	.72⅜
.95⅝	.69¼	May	.80⅛	.80⅞	.69¼	.73⅜

Visible Below 70 Million Bus.

In Canada, for this season, there is little worry about complete selling out of the present small crop. Visible last week was down to under 75 million bushels. If the present average weekly export of around 2.5 million bushels is maintained, and allowing for normal domestic requirements, such a supply, plus that small portion of the current crop still in farmers' hands, will soon be sold.

United Grain Reports Loss

Operating Profit Swallowed Up by Appropriations

From Our Own Correspondent

WINNIPEG.—A net loss of $125,322 is shown in the annual report of United Grain Growers Ltd. for the year ended July 31, as presented at the annual meeting this week. The balance in the earned surplus account is consequently reduced from $451,924 to $326,602, but the surplus carried forward is cut to $296,602 by allowance of $30,000 to write down the $80,000 valuation of a timber limit owned in British Columbia.

Operating profit is shown in the report at $137,846, but this was swallowed up in appropriations as follows: Bond interest, $163,384; directors' fees, $8,349; legal fees and executive salaries, $32,700; annual meeting expense, $15,736; provincial corporation taxes, $6,000; net amount for bond discount and expense written off, $3,340. The gross amount of the last item was $19,546, but was offset by profit on bonds redeemed, $16,207.

Debt Reduced

Balance sheet, listing of current assets at $2,105,573 and current liabilities at $720,468 left working capital at $1,385,105, of which $767,956 was in cash, with no bank liabilities. A reduction of $264,883 in funded debt during the year leaves the net amount standing at $3,083,500.

Shareholders equity including capital reserve and surplus is listed at $5,218,501. Capital assets are computed at $10,786,003, or a net of $6,202,375 after deduction of the depreciation reserve of $4,583,628. Assets include 439 country elevators and a terminal elevator at Port Arthur. The terminal elevator at Vancouver is leased.

Consumers Gas Sales Hold Up

Higher Coal Prices Likely to Be Felt on Future Purchases

Eighty-ninth annual report of The Consumers' Gas Co. of Toronto, covering the fiscal year ended Sept. 30, 1937, shows net profits equivalent to $10.01 a share on the common, compared with $10.72 a share in the preceding year. This is before deducting the entire amount spent on repairs and renewals during the year.

If the amount of the statutory transfer to plant and buildings renewal fund is deducted, earnings per share are $6.70 in each year. Dividends of $10 a share are paid regularly.

Gross earnings for the past year were very little changed. Gas sales showed an increase of $92,765, but sales of residuals, such as coke, tar and ammonia, were down $152,043. Sales of gas appliances were up 22% over those for the year ended Sept. 30, 1936, and 84% over sales for 1934.

Details of the income and surplus account and working capital follow:

Income and Surplus Account
Years Ended Sept. 30

	1937 $	1936 $
Gross earnings:		
Gas sales	5,319,528	5,226,763
Residuals produced	1,488,017	1,640,060
Merchandise sold	309,142	252,897
Misc. revenue	9,698	6,384
Total gross earnings	7,126,385	7,126,104
Less: Prod., distrib. & admin. exps. & taxes	5,173,195	5,200,370
Net earn. from oper.	1,953,190	1,925,734
Add: Interest earnings	92,778	77,632
Net profit	2,045,968	2,003,366
Less: Dividends	1,436,767	1,405,520
Surplus for year	609,201	597,846
Add: Trans. from res. fund	460,991	463,288
	1,070,192	1,061,134
Trans. to plant & bldgs. renewal fund	1,070,192	1,061,134

Working Capital
As at Sept. 30

	1937 $	1936 $
Current assets	4,422,562	4,136,735
Current liabilities	809,334	1,382,398
Working capital	3,613,228	2,754,337

In spite of higher costs for raw materials and other commodities required in the company's operations, operating expenses, including taxes, showed a small decrease in the year. Total direct taxes paid were $536,256, while customs duties, excise tax, sales tax, fees and licenses were $356,256.

Discussing coal prices Thomas Bradshaw, president points to the substantial increase in cost in 1937 due to increased wage scales granted to miners and predicts that the commission now investigating the bituminous coal situation in the United States will determine on a substantially higher price.

Annual Meeting

At the annual meeting on Nov. 8, 1937, Thomas Bradshaw reported that the volume of gas sold for use in industrial plants in Toronto was greater than that sold in any previous year and exceeded that sold in 1936 by 9%. Mr. Bradshaw also commented on comparative prices for gas, stating that Toronto prices were 14% lower than the average price charged in 20 cities in the northeastern United States in spite of an extra charge for coal alone of $1.70 a ton as compared with cost to United States companies.

Owen Sound, Ont.

The town has sold $90,000 of 3½%, 15-installment debentures to Dominion Securities Corp. at 102.07, a cost basis of about 3.25%. Proceeds of the issue will be used to build a public school.

World Wheat Markets Watch Southern Crops

Argentina and Australia are in the world grain spotlight at present and will remain so for the next few months. Immediate price changes will fluctuate largely with conditions in those two countries. The season now corresponds roughly to late April or early May in Canada and so there are considerable weather hazards yet to be faced. However, even under fairly favorable circumstances not much more than average crops are expected and thus present indications point to but a small surplus to go into seriously depleted world reserves at the end of the crop year next August.

Only secondary in interest to the southern hemisphere's situation is that of the winter wheat states in the United States. There seeding has been completed, with likely a record wheat acreage. Weather conditions, however, have not been altogether favorable with some sections of the southwest extremely dry and in need of moisture before all growth is over for the present season. Of course, until this wheat comes through the winter estimates are of very slim value for the simple reason that winter killing alone sometimes amounts to as high as 25% and 15% would be only a moderate loss. Roughly two-thirds of the United States crop is fall sown.

Weather prospects in Europe are also of some importance as there also a big winter wheat crop has been sown though aside from the wide stretches of Russia, winter killing is usually not very severe and yields and acreages in Europe in any case, generally show less fluctuation than on the Continent.

Aside from present extremely favorable fall precipitation in western Canada there is not a great deal of development in the country nor can there be with no big surplus until seeding commences next spring. Then, the world spotlight immediately focuses here and in the hard spring wheat states of the American north middle west and prices may be expected to fluctuate with moisture conditions.

St. Hyacinthe R. C. School Board

From Our Own Correspondent

MONTREAL.—Banque Canadienne Nationale was the successful bidder for a $47,000 bond issue of St. Hyacinthe Roman Catholic School Board. The bank's bid was 100.38. The rate of interest 4%. The issue matures in 1959.

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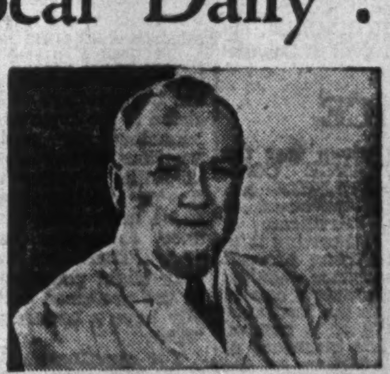

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Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel-Review

Insurance

Life Company Survey Valuable to Investor

Stocks Added to Portfolios Following Market Slump; Small Volume of Mining Shares Purchased—Mortgages Still Scarce

Life insurance companies have millions of dollars to invest safely every year. Their purchases during recent months, especially since the stock market slump began, are an important indicator of expert opinion for the studious investor.

Survey of the current investment policy of major life companies reveals:

(1) Many companies felt that there were many bargains to be had and acted accordingly.

(2) Mining stocks were bought in small volume.

(3) Mortgages are eagerly sought and are too scarce to satisfy the demand.

None of the companies admitted surprise at the present stock market and business recession. Prices, labor costs and inventories were going up too fast, and stock markets were reaching unhealthy levels, several suggested. History warned them that about this stage in recovery periods, enthusiasm becomes rampant with inevitable check and recession. While this slump may have been a little more severe than at first expected, the insurance company officers believed it would make for sounder recovery once the normal upswing is revived.

Government Restrictions

Government restrictions on what investments an insurance company may make are strict. Eligible stocks, therefore, are relatively few. Preferred stocks must have a five-year unbroken record of paying dividends. Common stocks must have an unbroken seven-year record of paying dividends of at least 4% per year or in the case of no par value common stocks, an unbroken seven-year record of dividends of at least $4 per share per year.

Further restriction is that the total book value of an insurance company's common stock holdings must not exceed 15% of its assets.

Street gossip about certain life companies being heavy gold stock buyers is pretty wide of the mark. Since the common stock holdings of most life companies is only 3% to 7% of their assets, even filling half their common stock portfolio with golds would still leave them relatively small holders, and not a single company has gone nearly that far with its mine stock buying.

The two or three companies which are leading gold stock holders, however, feel that their choice has been more than good. Senior golds withstood the recent stock market break with less shock than any other classification. Furthermore, many of the golds weathered the depression and "came back" in much grander style than many of the industrials.

The eligible gold list is short, Dome, Hollinger, Lake Shore, McIntyre, Noranda, Teck-Hughes and Premier.

Why don't insurance companies buy more golds? Public opinion is the answer. Although golds may be the best and most remunerative investments an insurance company can make, companies are still loath to buy stocks which permit rival salesmen to spread false impressions among a public many of whom still regard mine stock as a gamble rather than an investment.

Almost 50% of life company assets are in bonds and debentures. In recent years the great proportion of purchases in this category have been government bonds, less from choice than necessity, imposed by the relative dearth of new public utility, corporation and desirable municipal issues.

Because of the building slump during the past three or four years mortgage portfolios have been depleted, real estate in recent years accounting for around 20% of assets. One company, especially, is planning a definite campaign to acquire select mortgages. Other companies complain that they can't secure enough. Farm mortgages are being paid off generally, and a busy building season next spring is expected to make up the present deficiency.

Since policyholders are widely repaying loans and as new policy sales have been showing good increases, company treasurers have larger than usual amounts to invest.

Because of insurance companies' public responsibility, their investments may be considered ultra conservative. Following is the Cochran, Murray and Hay list of stocks, preferred and common, which are considered eligible for insurance company purchases most of which appear in some company's portfolio:

PREFERRED STOCKS
Prices as of Oct. 20

	Coupon Rate etc. %	Approx. Price	Stock Yield
Agnew Surpass	7	110	6.36
Ass. Breweries	7	110	6.36
Beatty Bros. 1st A	6	104	5.76
Belding-Corticelli	7	130	5.38
Biltmore Hat	7	110	6.36
Brantford Cordage 1st	5.2	24	5.41
Calgary Power	6	83	7.23
Canada Nor. Power	7	110	6.36
Can. Bronze	5	108	4.63
Can. Canners 1st	5	18	5.55
Canadian Cottons	6	107	5.60
Can. Fairbanks-Morse.	6	103	5.83
Can. Indus. Ltd.	7	155	4.51
Can. Oil Cos.	8	115	6.95
Can. West. Nat. Gas	6	90	6.67
Dom. Glass	7	145	4.82
Dom. Textile	7	140	5.00
Goodyear of Can. new S. F.	5	54½	4.58
Guelph Carpet	6½	106½	6.10
Imp. Tobacco of Can. Ltd.	6	7	4.28
Intercolonial Coal Co.	8	125	6.40
International Mill. Co. 1st S. F.	5	98¼	5.08
Kelvinator	7	106½	6.57
Loblaw, A	*50c	23	5.43
Montreal Cottons	7	104	6.73
Moore Corp. A	7	150	4.66
Do., B	7	225	3.11
McColl-Frontenac S. F.	6	90	6.66
Nat. Breweries	7	38	4.60
Nova Scotia L. H. & P.	6	105	5.71
Ogilvie Flour Mills	7	160	4.37
Ottawa L. H. & P.	5	103	4.85
Penman's Ltd.	6	130	4.62
Power Corp. 1st	6	99	6.06
Prov. Paper S. F.	7	107	6.54
Rolland Paper	6	104	5.76
Robert Simpson	6	115	5.21
St. Lawrence Flour Mills	7	140	5.00
Standard Fuel	6½	92	7.06
Steel Co. of Canada	7	61	2.86
G. Tamblyn Ltd.	5	53	4.71
Tor. Elev. Ltd.	5¼	49¼	5.32
Tuckett Tobacco	7	155	4.51
Western Grocers	7	121	5.79
Hiram Walker	$1	17¾	5.63
George Weston Ltd.	5	88	5.68

*1938. Participating dividend 75c.

COMMON STOCKS

Banks, etc.:	Current Price	Current Div. Rate	Curr. Yield %
Commerce	160	8.00	5.00
Montreal	190	8.00	4.21
Royal Bank	173	8.00	4.62
Nova Scotia	305	12.00	3.93
Dominion Bank	205	10.00	4.87
Toronto	243	10.00	4.11
Imperial	203	10.00	4.92
Canada Permanent	147	8.00	5.44
Central Canada	195	8.00	4.10
Huron & Erie	73	4.00	5.47
National Trust	205	8.00	3.90
Toronto General	87	4.00	4.59
Toronto Mortgage	120	6.00	5.00
Ontario Loan	112	5.00	4.46
Industrials:			
Belding-Corticelli	107	4.00	3.73
Bell Telephone	160	8.00	5.00
B. A. Oil	20	1.00	5.00
F. N. Burt	33	2.00	6.06
Can. Indus. Ltd. B.	192	7.00	3.64
Consumers Gas	194	10.00	5.15
Dominion Bridge	29	1.20	4.13
Dominion Glass	110	5.00	4.54
Dominion Textile	75	5.00	6.66
Fanny Farmer	21	1.00+.25	5.95
Imperial Oil	18¾	.50+.75	6.66
Imp. Tob. of Can.	13¼	.40+.12½	3.96
International Pete	29¾	1.50+1.00	8.40
Montreal L. H. & P.	30	1.50	5.00
Montreal Telegraph	58	3.20	5.24
Montreal Tramways.	90	9.00	10.00
National Breweries	36	2.00	5.55
Ogilvie Flour Mills	178	8.00	4.49
Penman's Ltd.	58	3.00	5.17
Steel of Canada	66	1.75	2.65
Mines:			
Dome	40	4.00	10.00
Hollinger	11½	1.10	9.56
Lakeshore	48¼	5.00	10.36
McIntyre Porcupine.	32½	2.00	6.15
Noranda	45½	3.50	7.69
Teck-Hughes	4.60	.45	9.78

All these stocks appear to fulfill requirements specified in the Dominion act. But some are borderline cases perhaps because of their own dividend history, perhaps because of some change in their financial setup, perhaps because of lack of clarity and precision in the act itself.

Fanny Farmer is a case in point. Several insurance companies bought this stock some time ago, after securing legal opinion as to its eligibility. The act provides for the case of a stock changed from par to no par, but not vice versa and Fanny Farmer went from no par to par. It is still under review by the Dominion Superintendent of Insurance. He has the privilege of leaving the decision to the department of justice.

Loblaw "B" and Consolidated Smelters are two other stocks whose eligibility is rather uncertain. Loblaw "B" is believed by many brokers to be acceptable, but so far insurance companies have purchased "A.'s". These can be secured at a very slight premium, can be rated in the preferred category and usually have a better market than the "B.'s".

The question on Smelters is that a stock dividend was paid in 1932. The act does not state dividends must be paid in cash and the income tax department demands payment on this stock as if the dividend were a cash return so brokers don't see that the insurance department could deny its eligibility.

Ruling on a stock is not given prior to its purchase. The insurance company has the responsibility of proper interpretation of the act. All investments are reported to the Superintendent of Insurance and if any are found unacceptable, the company is ordered to sell and all disallowed stocks appearing on financial statements are deducted from assets. Until 1932 a clause in the act penalized a company for buying ineligible stock by making directors pay into the company any loss incurred in the purchase and sale. No penalty for "guessing wrong" is now imposed.

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H. C. MILLS,
Chief Agent in Canada.

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H. C. MILLS,
Chief Agent in Canada.

VICE-PRESIDENT

R. C. Berkinshaw, Toronto, who has been elected vice-president of Toronto Elevators, Ltd., at the annual meeting on Nov. 1. Mr. Berkinshaw, who is general manager and treasurer of Goodyear Tire & Rubber Co. of Canada, was already a director of Toronto Elevators. F. T. Carnegie, secretary-treasurer, was added to the board to fill a vacancy.

Ban is Proposed On Policy Loans

System Harmful to Both Company and Insured, U. S. Executive Says

The privilege of securing a loan on life insurance policies does more harm than good to all concerned and should be abolished. The American Life Convention in Chicago heard from Ralph Lounsbury, National Life of Montclair, New Jersey.

"Human nature being what it is, policyholders have to take insurance equity for any and all purposes except the sound one of actual need," Mr. Lounsbury said. "The loans are rarely repaid and in hundreds of thousands of cases, the ultimate loss is the loss of the insurance itself."

Mr. Lounsbury's objection includes the need for large cash reserves, the handling cost of which he claims is out of all proportion to the returns received.

Mr. Lounsbury says that for any worth-while purposes the customer will always have access to the facilities of a bank.

Fire, Casualty Courses Planned in Winnipeg

Courses in fire and casualty insurance offered by the Insurance Institute of Winnipeg will include lectures by the following members: O. E. McKush, L. L. Lewis, C. D. Taylor, F. A. Cambridge, G. B. Joslin, N. J. Black, John Quick, D. Holland, J. Gair, N. S. Brook, H. W. Godard. Lectures on burglary, theft and robbery insurance include G. E. Swan, J. Venables. Lectures on accident and health insurance will be given by R. C. McKibbin, R. Payne, W. K. Gallagher. Guarantee insurance lectures will be given by Malcolm B. Strong and John Huggard. Other lecturers are R. Smellie, F. J. Moon, F. L. Sterling, J. D. Thomson, F. A. Mills, E. L. Pratt, William Bruce, H. D. Jolly and A. D. Muir.

Dunning to Address U. S. Insurance Heads

Hon. Charles A. Dunning, minister of finance, is among special guest speakers at the 31st annual convention of the Association of Life Insurance Presidents, to be held at the Waldorf Astoria, New York, Dec. 2 and 3.

Other speakers include: Dr. Thomas Parran, surgeon general, U.S. public health service; J. Edgar Hoover, director of G-men; Dr. Alexis Carrel, noted author and scientist; Alfred P. Sloan, Jr., General Motors. Leighton McCarthy, Arthur B. Wood and C. S. Macdonald are Canadian representatives on the reception committee.

Canada Life Sales Up $10 Millions Over 1936

Production of new ordinary and group insurance on a paid for basis by the Canada Life Assurance Co. for the first 10 months of this year was $56,025,164, a gain of more than $10,000,000 over the corresponding period of 1936.

Production for the month of October also showed an increase over the same month a year ago. This is the sixth successive month in which gains have been registered over the corresponding months of 1936.

Insurance Inklings

The federal department of insurance announces the following certificate: Railway Passengers Assurance Co., fire, accident, automobile, burglary, explosion, guarantee, limited hail, inland transportation, personal property, plate glass, sickness, sprinkler leakage, tornado, falling aircraft and insurance against loss to property caused by vehicles.

• • •

Anglo - Canadian Underwriters Ltd., handling all classes of insurance and reinsurance through Lloyd's of England, have just moved their Canadian head office to 80 Richmond St. West (Victory Bldg.). R. H. Cook is chairman, C. R. Claspp, supervising underwriter.

George A. Cooper, formerly of the Liverpool, London and Globe Insurance Co., Toronto office, has just joined the underwriting and inspection department of the Anglo-Canadian Underwriters Ltd.

David et Frere Better Income

Results to Oct. 1 Better Than in Any Year Since 1930

From Our Own Correspondent

MONTREAL. — Operations of David et Frere, Montreal biscuit and confectionery manufacturers, have shown an improvement in the current year, sales being about 15% higher than in 1936.

In line with the improvement in sales, the company reports earnings before depreciation and taxes for the current year to October 1 of $41,369. This compares with earnings on the same basis of $18,656 during all of 1936 and a loss of $3,279 in 1935.

The gross income for the first nine months this year was larger than for any year since 1930.

Net earnings after providing for depreciation and taxes to Oct. 1 last, totalled $20,930. This is the first time the company has shown net earnings since 1930. From 1931 to 1936 the company reported a series of losses, that for 1936 amounting to only $237.

The last quarter of the year is usually a period of heavy sales with the company, and at this time it is difficult to make a forecast about the outcome for the full year. However, based upon returns for the nine months, indications are that the company will show the best earnings reported in any of the last seven years.

Bell Installations Set Mark to Date

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports there were 735,658 stations in operation at the end of September, an increase of 37,739 stations or 5.4% over the 697,910 stations at the same date last year. A gain of 23,842 stations or 3.4% was shown during the entire year of 1936.

Increase for the current year to the end of September was 27,051 stations or 3.8%, which total is 3,209 units more than the gain made in the whole of last year.

McColl-Frontenac Stock Approved for Listing

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has approved for listing 132,000 additional shares of McColl-Frontenac Oil Co. These shares, which bring the number outstanding up to 660,000, will be admitted to trading on official notice of issuance.

Rights were issued to shareholders of record Nov. 5 to subscribe for the 132,000 shares at the ratio of one share for every five held, at a price of $10 a share. The common stock now sells ex-rights and the subscription privilege will close Dec. 10.

Named to Executive

Gordon C. Cumming, general manager of The Monarch Life Assurance Co., was elected to the executive committee of the Association of Life Agency Officers of America at the annual meeting held last week in Chicago.

Gains and Losses Reported For Fire, Casualty Firms

Following are the underwriting gains and losses of the various fire and casualty underwriting companies operating in Canada as reported by the Dominion Superintendent of Insurance in his final report for 1936 just released.

Canadian Companies

	1936	1935
Acadia	26,107	20,545
Antigonish	—304	1,290
Beaver	—6,437	—4,473
British American	131,712	22,413
British Canadian	2,068	4,926
British Empire	1,833	10,222
Br. Northwestern	4,689	6,128
Canada Accident	20,112	18,101
Canada Security	14,242	13,902
Canadian Fire	53,184	50,241
Candn. General	—32,600	—24,291
Candn. Indemnity	30,054	8,547
Candn. Surety	38,393	2,655
Casualty	—1,851	—12,277
Comm. Mutual	88,091	66,746
Consolidated	—6,558	—11,037
Cumberland	—2,692	—1,384
Dominion Fire	46,599	25,989
Dom. of Can. Gen.	22,971	—9,381
Econ. Mutual	21,123	43,442
Ensign	2,597	375
Fire Ins. of Can.	30,603	23,972
Gen. acc. of Canada	—58,655	—206,355
Globe Indemnity	—38,001	11,870
Grain	275,542	354,546
Guardian Insur.	10,815	15,774
Halifax	72,510	186,106
Hudson Bay	20,532	16,509
Imp. Guar. & Acc.	—8,928	—4,068
Imperial Insur.	11,639	1,778
Kings Mutual	3,105	7,982
Liverpool Man.	19,709	21,334
London & L. Guar.	33,486	23,266
London-Canada	162	9,211
Mercantile	—999	13,344
Nat.-Liverpool	12,698	11,803
North Empire	18,797	18,313
North West	4,157	3,869
Occidental	13,106	29,052
Pacific Coast	35,040	31,735
Pictou County	4,679	1,816
Pioneer	11,440	9,225
Portage la Prairie	—7,565	—64,446
Quebec	7,824	12,335
Reliance	13,547	9,765
Scottish Candn.	—4,513	5,907
Security National	—2,668	—10,967
Wapiti	7,194	10,251
Wawanes	7,776	98,869
Western	167,422	105,171

British Companies

	1936	1935
Alliance	60,213	3,889
Anglo-Scottish	6,220	12,117
Atlas	72,642	73,954
Bankers & Traders	9,458	—26,663
Br. & European	4,580	4,626
British Crown	41,383	39,250
British General	—320	7,651
British Law	6,178	11,493
British Oak	14,305	—4,716
British Traders	30,987	17,199
Caledonian	—4,732	—8,124
Car and General	39,627	14,553
Central	12,905	10,621
Century Insurance	—11,381	32,005
China	3,950	4,452
Commercial Union	69,277	97,462
Cornhill	44,003	60,635
Eagle Star	40,964	40,751
Employers Liability	87,957	166,430
Essex Suffolk	7,179	7,976
Excess	6,303	—1,916
General Accident	—13,723	11,591
Guardian Assurance	128,024	169,685
Guild Paul	—20,222	—31,262
Indemnity Marine	6,468	2,781
Law, Union & Rock	11,422	69,953
Legal & General	—20,291	—23,890
Liverp'l, Lond. Globe	64,026	177,642
Local Government	3,101	—6,507
London & County	3,279	8,884
London Lancashire	44,837	201,633
London Provincial	—14,985	—9,673
London Scottish	15,292	21,556
London Assurance	19,550	55,120
London Guarantee	—22,894	6,573
Marine	6,579	27,015
Merchants Marine	37,803	11,969
Motor Union	23,136	9,912
National Provincial	10,958	10,243
North British	95,905	79,140
Northern Assurance	62,605	68,595
Norwich Union	68,810	91,907
Ocean Accident	16,606	7,174
Palatine	23,001	24,338
Patriotic	17,094	28,425
Pearl	27,560	—113,336
Phoenix London	101,689	189,393
Planet	2,474	12,908
Provincial	28,564	31,546
Prudential	11,899	8,990
Queensland	—980	558
Railway Passengers	—3,733	—18,672
Royal Exchange	108,186	54,801
Royal Insurance	177,364	226,135
Royal Scottish	12,160	11,166
Scottish Metropolitan.	20,598	13,488
Scottish Union	38,608	32,146
Sea	25,872	16,936
Southern	3,318	4,809
State Assurance	8,166	4,986
Sun Insurance	78,055	71,383
Union Assurance	38,422	34,415
Union of Canton	80,152	17,163
Union Marine	13,899	27,704
United British	8,934	—16,278
World Marine	—18,670	15,732
Yorkshire	36,571	26,512

Foreign Companies

	1936	1935
Aetna	78,455	98,103
Affiliated Underwriter	—7,028	45,478
Agricultural	5,409	—18,713
Alliance	18,566	28,711
American Alliance	437	—4,513
American Equitable	—27,495	39,756
American Exchange	9,359	8,108
American Home Fire.	—10,308	16,693
American Insurance	19,437	4,723
American Mutual	1,335	....
American Reserve	3,593	29,124
Arkwright Mutual	8,574	...
Automobile	19,684	15,781
Baloise	13,989	4,158
Bankers & Shippers	12,116	13,191
Bee Fire	8,033	133
Blackstone Mutual	6,781	....
Boston	4,284	11,497
Boston Manufacturers	—18,034	....
Caledonian & American	1,932	—6,606
California	4,606	4,052
Camden	9,870	1,384
Canners Exchange	18,552	....
Central Manufacturers	43,365	45,341
Central Union	3,703	—314
Citizens	4,902	—2,337
Columbia	9,338	8,881
Commerce Insurance.	559	....
N. Y. C'mercial Union	1,531	1,585
Connecticut	34,722	30,055
Continental	59,515	39,249
Cotton & Woollen	—1,311	....
County Fire	23	—203
Enterprise Mutual	1,335	....
Equit. Fire & Marine.	6,944	5,989
Eureka Security	196	—2,093
Fall River Mutual	—9,907	...
Fidelity Phoenix	66,954	66,727
Federal	—657	—1,173
Fire Association	13,751	22,929
Fireman's Fund	42,502	39,121
Fireman's Insurance	27,690	20,972
Fireman's Mutual	17,549	....
Fireproof Sprinklered	6,402	6,126
First American	—969	—638
Fonciere	36,401	22,348
General Fire of Paris	9,526	—6,243
General Ins. America.	48,408	61,360
Girard	2,233	—648
Glen's Falls	—49,726	30,178
Granite State	—8,166	3,429
Great American	3,932	3,439
Hanover	—11,705	2,147
Hardware Dealers	—96,439	57,591
Hardware Mutual	106,430	48,428
Hartford Fire	104,853	136,040
Home Fire & Marine	9,625	7,060
Home Insurance	178,522	228,786
Hope Mutual	2,167	....
Imperial Assurance	18,677	17,761
Indiana Lumberman's	19,507	15,361
Individual Underwrit.	44,234	45,064
Industrial Mutual	—767	....
Ins. Co. of Nor. Amer.	93,787	36,174
Ins. State of Penn.	—618	—1,587
Inter-Insurers	1,588	830
International	14,000	—14,336
Lumbermen's Ins.	6,267	22,935
Lumbermen's Mutual	19,237	1,872
Lumbermen's Alliance	—24,425	74,317
Lumber Mutual	28,923	14,647
Manufacturer's Mut'l.	2,462	41,646
Maryland Insurance	—3,116	—431
Mechanics Mutual	1,334	....
Merchants & Manufac.	38,262	11,960
Merchants Fire	49,027	53,323
Merchants Mutual	4,051	....
Mercury	19,561	16,075
Metropolitan	11,662	14,795
Metropol. Inter-Insur.	18,707	23,928
Michigan	—1,040	—3,316
Millers National	19,193	24,599
Mill Owners Mutual Chicago	1,638	68,153
Mill Owners Mutual Iowa	103,583	....
Minnesota Implement	101,935	64,186
National Ben Franklin	18,257	6,130
Nat'l Fire of Hartford	55,212	18,407
Nationale Fire of Paris	88,387	40,985
National Security	—2,857	....
National Union	7,538	3,322
Newark	12,350	15,457
New Hampshire	15,632	9,575
New Jersey	7,054	9,241
New York Fire	23,851	11,988
New York Reciprocal.	40,218	29,631
N. Y. Underwriters	27,135	23,233
Niagara	19,561	12,439
North River	28,724	30,397
North Star	—2,540	....
Northwestern Mutual	225,024	160,469
Northwestern Nat'l	30,951	14,648
Ohio Farmers	11,653	737
Pacific Fire	39,202	33,527
Paper Mill Mutual	269	....
Penn. Lumbermen's	31,560	11,653
Phoenix of Paris	8,329	—4,940
Phil. Fire Marine	5,626	12,721
Phil. Mfrs. Mutual	3,490	....
Phoenix Hartford	57,551	49,756
Protection Mutual	1,345	....
Providence Paris	11,160	13,328
Providence Washington	17,288	17,026
Queen of America	59,409	59,501
Retail Lumbermen's	14,577	18,157
Rhode Island	6,925	—4,932
Rhode Island Mutual.	2,461	....
Rossia	25,679	13,179
Rubber Mfrs. Mutual	—1,311	....
St. Paul Fire	8,120	63,352
Security	22,650	11,274
Sentinel	—262	—838
Springfield	2,505	—17,892
State Mutual	2,968	....
Sussex	14,953	10,014
Svea	—3,155	—1,432
Switzerland General	—464	....
Tokio	13,656	9,658
Trans-Continental	4,353	—405
Traveller's Fire	53,215	24,434
Underwriter's Exchge.	6,133	4,349
Union of Paris	28,371	—73,437
United Firemen's	9,338	8,882
United Mutual	69,446	33,213
United States Fire	50,164	51,708
Urbaine	—7,403	5,849
Warner Reciprocal	1,162	....
Westchester	26,272	18,741
What Cheer Mutual	2,165	....
Worcester Mfrs. Mut'l	—2,458	....
World Fire Marine	28,835	12,345

Move To Unify Companies' Act

Hopes For Success at Ottawa Parley Held Out

From Our Own Correspondent

OTTAWA.—The approaching session of the Federal Parliament is to witness another attempt to achieve a uniform Companies Act.

As a preliminary Hon. Fernand Rinfret, Secretary of State, has issued an invitation to a Dominion-Provincial Conference to be held in Ottawa on Nov. 23 at which an attempt will be made to agree upon the provisions of a model enactment.

Uniformity of companies' legislation has represented the ambition of successive Secretaries of State. The difficulty has been, however, that the field of company regulation is shared under the British North America Act by the Dominion and the provinces jointly. Previous attempts at uniformity were based upon an effort by the Dominion to establish a priority in the field which the provinces were not disposed to concede.

The proposal which Mr. Rinfret is now making to the provinces is of a different character from those of the past. The Secretary of State suggests simply that the Dominions and the provinces shall agree together upon the drafting of a model act to apply throughout Canada and that it be enacted federally at the approaching session of Parliament and provincially by the different legislatures. In this way there will be no suggestion that the provinces are sacrificing any of their jurisdiction; the terms of the Dominion and of the provincial law will simply be made identical.

The desirability of uniformity has been conceded by all parties in the past, and has only been hindered by the attempts to raise an issue of jurisdiction.

U. S. Life Sales

New ordinary life insurance sales in the United States for the year so far are up 105% compared with last year, with August 102% ahead. Best sales areas were Idaho, New Mexico, Michigan, Tennessee, Kentucky and North Carolina, worst sales areas, Montana, North Dakota, Louisiana.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

A GOOD COMPANY FOR THE ASSURED

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
Established 1797
FIRE, AUTOMOBILE, FIDELITY
PLATE GLASS, BURGLARY, ETC.
E. M. WHITLEY, General Manager for Canada
F. W. LAMONT and C. C. PAULL, Asst. Managers

FIRE INSURANCE—
"Expense" or "Investment"?
By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.
BRANCHES ACROSS CANADA
Toronto Hamilton Ottawa Montreal Quebec City St. John Halifax Winnipeg Saskatoon Calgary Edmonton Victoria Kelowna Vancouver

Fire Alarm Systems

● We install in seven cities four Electric Fire Protective Systems which connect with our own Central Stations and the City Fire Department headquarters—
Manual Fire Alarm Systems
Aero Automatic Fire Alarm Systems
Sprinkler Supervisory Systems
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Our book "Flashing the Alarm" will be sent on request.
DOMINION ELECTRIC PROTECTION COMPANY
BURGLAR, FIRE AND SPRINKLER ALARMS
Central Stations
Toronto Montreal Quebec Ottawa Hamilton London Winnipeg

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, Supreme Chief Ranger.
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

Mutual Cooperation Supplants Moral Obligation

For many years, a number of corporate and private employers have recognized a moral obligation to employees in the event of death. But it was not until the advent of Group Life Insurance that they were able to meet this moral obligation efficiently.

Then, sometimes to their surprise, they discovered that employees themselves were anxious and willing to contribute their share of the cost of this provision. For example: On the basis of mutual contributions, $1,000 Group Life Insurance can be carried for each employee at an average cost to the employee of less than one and one-half cents per day, plus small contributions by the employer.

These astonishingly low figures have, in the main, been responsible for the acceptance and rapid growth of Group Life Insurance. And its practical results have been such as to warrant the extension of Group Insurance Plans to cover Sickness and Accident Insurance and Hospitalization expenses.

The most recent development of the Group Insurance idea has been to provide retirement pensions for employees when they become too old to work.

In every case employees have shown themselves not only anxious to secure each successive measure of protection, but have been willing to cooperate with their employers in sharing the cost. As a result, with the experienced assistance of Life Insurance Companies, many very fine cooperative plans have been put in operation.

The Confederation Life Association has for many years been devising Group Insurance plans for corporate and private employers and their employees. In addition to numerous Group Life and Sickness and Accident Policies, the Association has cooperated in the setting up of many retirement plans and is now entrusted with the privilege of administering pensions of approximately $2,700,000 per year.

The services of the Association are available for advice and consultation.

CONFEDERATION LIFE ASSOCIATION
Head Office Toronto

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When policyholders are satisfied year after year, and especially after settlements of claims, it speaks well of the Company and recommends it to those seeking new Insurance.
UNION INSURANCE SOCIETY OF CANTON LTD
ASSETS $30,000,000.00
Head Office for Canada: Toronto, Ont.

FIDELITY
Insurance Company of Canada
TORONTO

Banking

Canadian Money Stands Easy

Bank Earnings Probably Better as Loans Begin to Climb

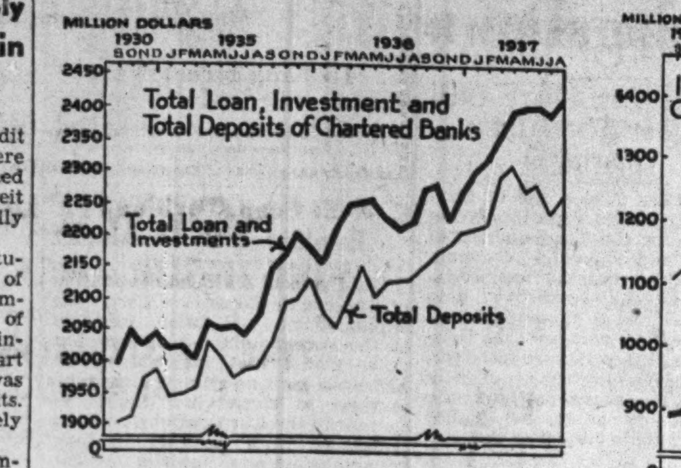

CHART No. 1

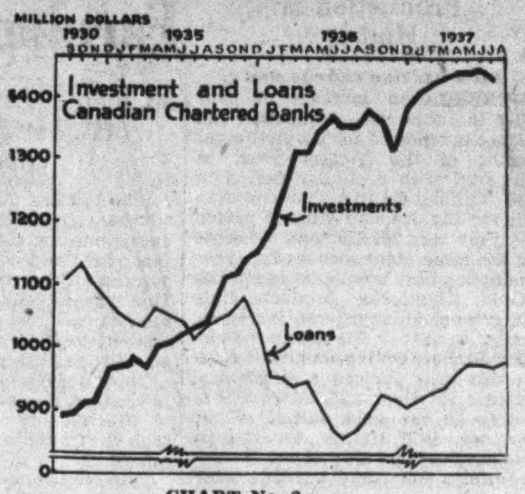

CHART No. 2

Survey of the Canadian credit situation reveals that far from there being a credit stringency as claimed by some there is almost a surfeit of credit, and that it is unusually liquid.

Yardsticks of Canada's credit situation are the monthly statements of the chartered banks. Since September, 1934, loans and investments of the Canadian chartered banks increased some $420 millions (chart No. 1). In the same period there was a $380 millions gain in deposits. Money in Canada is definitely "easy."

Because of the very definite improvement in the volume of bank loans it would appear that chartered bank annual statements which will be forthcoming shortly may be better than for some years.

Whether all improvement will be shown in the annual reports is a different matter. Traditional accounting practice for Canadian banks dictates highly conservative profit and balance sheet policies.

Credit stringency is the bellwether of depressions and some have been charging that the recent stock market crash was in measure to be blamed on "tight" money. Fortunately for the business outlook the exact reverse is true. Canada has ample credit. All that is needed for continuance of business activity is credit's running mate, "confidence."

Borrowing and Depressions

"Over"-borrowing by industry is another of the usual depression signals. The fact is that business borrowing has been woefully light, but as seen in chart No. 2 this has in recent months been showing a healthy and regular improvement. For this reason, the outlook for 1937 profit prospects is more hopeful than for some years. The return on bonds, usually 2% for short term, hardly pays for the cost of acquiring and handling them. Loans are the remunerative thing. Until the further reduction of the deposit interest rate in June, 1936, the banks were poorly prepared to stand the drastic decline in their incomes resulting from the paralysis of the loan business. Now the outlook is different.

Some of the recent improvement in Canadian bank loans may of course be discounted as part of the normal seasonal advance.

Managed Currency

Bank of Canada policy is another factor to be considered. Because its purpose is to give Canada what is essentially a "managed" currency, it cannot be assumed that conditions are solely the result of the so-called "free operation of economic laws."

While the type of services which the Bank of Canada performs makes it on the whole desirable that its policies be kept secret, it is most revealing of the Bank's policy that it has gone on buying securities in spite of the great amount of cash held by the chartered banks.

Both the credit situation and Bank of Canada policy, therefore, seem to indicate that for the present at least Canada is to have neither a credit stringency nor rising interest rates to slow business.

Monthly Expansion

Canadian credit is also extremely liquid. Bonds which the banks are taking in vast quantities, as shown in chart No. 2, because they can't get enough takers for bank loans, are much more liquid than loans which have to be granted for a specified period of time.

Reviewing the credit situation of the past few years shows almost monthly expansion. The loan and investment line plunges downward toward each year end as business reduces its debts for year end clean ups. The June, July and August decline in 1936 is credited to the general business buoyancy and widespread confidence. Ever since the 1936 year end clean up there has been an almost uninterrupted increase in "money to spare."

Bank loans reached their peak in November, 1936. Although large sums were going into the securities and bond market, it was then that business was borrowing most for expansion, for forward buying and for an inflation safety belt.

Then came the decline. Even then banks were worried about earnings, because of the new and unwelcome shift from the traditional big volume in lucrative loans to big volume in unlucrative bonds. One observer then declared, "Most bankers seem to feel that rock bottom has been hit as far as loans are concerned and that while expansion will be slow the downward trend should be checked."

Far from being rock bottom bank loans had just started their toboggan ride.

Rate on Deposits Cut

As the amount of money seeking a resting place continued to soar, and the loan business dropped, the banks, finally deciding that immediate relief was not in sight, announced reduced interest rates on deposits in June, 1936.

Cutting the interest rate probably had something to do with chasing some $22 millions of savings into other reservoirs, but demand (non-interest bearing) deposits continued to rise and the banks had to stow away still more money in bonds. Loans made earlier were being liquidated and not being renewed and security markets offered competitive low cost financing.

By July, 1936, bank loans skidded to their lowest point in 26 years. They were 20% below the previous year and 56% below the 1929 peak.

Temporary Upswing

When the decline was checked in August, once again some thought bank troubles were over. But it appears that the temporary upswing was due largely to the wheat movement and to the seasonal advance caused by business preparing for winter trade. But in spite of the gain, the banks still faced the necessity of storing away more and more millions in bonds demonstrating the continued lack of loan demand. In October, 1936, there was a new spell of confidence because for the first time in months, there was a decline in investment holdings and an increase in commercial loans.

Not Keeping Pace

During the present year, commercial loans have been increasing, but by no means keeping pace with the increase in bond holdings. About February, the stock market began to weaken in price and volume, and there was a new flood of deposits for the banks to dispose of, although they were but little assisted by the loan market. Some blamed the banks for the bond market slump, said that it weakened because of wholesale bond sales by the banks. The truth was that the market had softened despite unparalleled buying by the banks.

Deposits still climbed, in March reaching an all time Canadian high, almost $40 millions more than in 1929. In April they were still higher.

The most recent bank statement, September, shows that the bank loans are continuing the climb.

It would be an unwarranted flight of prophecy to predict that Canadian banking is out of the depression woods, but it is sober fact that the Canadian credit picture is one which should inspire confidence in the breast of the most wary investor.

Bank Debits Record Drop

Decline of 12.8% Shown in September From Last Year's Total

Slight increase in the volume of Canadian business during September over the previous month, but a marked decline from September of last year is shown in the record of bank debits as analyzed by the Dominion Bureau of Statistics.

After seasonal adjustment, bank debits increased in September 2.4% over August, but showed a decline of 12.8% from the September of last year.

Of the Canadian financial centres, Montreal was up 6% over the preceding month, Winnipeg up 33%, Vancouver up 4.3%. Toronto, probably owing to the weakness of the stock market, was down 12%.

Ottawa bank debits increased almost $17 millions, probably due to Government financing.

For the same centres comparison with September of last year shows Montreal gained 6.3%, Winnipeg declined 37.2%, Vancouver was down 3.2% and Toronto 22.8%.

Nine Months Up

Increases were shown in each of the five economic areas of Canada excepting the Prairie Provinces for the first nine months of 1937 over the same period of 1936. Maritime Provinces gained 20.4%, Quebec, 11.5%; Ontario, 5.6%; three prairie provinces declined 27% and British Columbia gained, 3.6%.

Comparative figures for September follow:

Debits to Individual Accounts
Provinces and Clearing House Centres

	Sept., 1937	Sept., 1936
	$	$
Maritime Provinces—		
Halifax	30,824,009	27,092,080
Moncton	9,280,137	8,829,786
Saint John	17,969,878	15,792,016
Total—Maritime Provinces	58,094,024	51,713,882
Quebec—		
Montreal	853,876,025	802,971,549
Quebec	64,965,620	48,592,431
Sherbrooke	6,864,081	7,435,460
Total—Quebec	925,705,726	858,999,440
Ontario—		
Brantford	9,416,606	8,790,471
Chatham	8,485,092	7,166,075
Fort William	5,727,275	5,653,898
Hamilton	57,101,712	49,761,460
Kingston	6,254,118	6,078,995
Kitchener	12,240,005	10,676,938
London	32,851,574	41,701,303
Ottawa	97,009,279	114,971,298
Peterborough	5,868,545	6,634,404
Sarnia	7,429,856	5,991,998
Sudbury	8,103,719	6,516,788
Toronto	843,661,511	1,092,340,324
Windsor	37,147,357	34,450,512
Total — Ontario	1,131,296,649	1,390,734,464
Prairie Provinces—		
Brandon	2,977,793	2,826,712
Calgary	54,525,437	60,935,921
Edmonton	34,054,023	31,030,617
Lethbridge	6,077,566	4,612,312
Medicine Hat	2,856,574	2,570,790
Moose Jaw	6,519,111	10,842,165
Prince Albert	2,868,723	2,312,460
Regina	38,596,475	65,349,152
Saskatoon	10,720,139	12,652,175
Winnipeg	290,941,167	463,202,947
Total—Prairie Provinces	450,137,008	656,335,251
British Columbia—		
N. W'tminster	6,757,295	6,621,968
Vancouver	137,346,591	141,944,272
Victoria	24,287,561	27,215,263
Total—British Columbia	168,391,447	175,781,503
Grand total for Canada	2,733,624,854	3,133,564,540

Montreal Power Sales Advance

Output to Date Is Well Ahead of 1936 — Gas Sales Lower

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated reports an output of electricity for consumption in the Montreal area during October, excluding secondary and export power, of 103,991,790 kw.h. This compares with 95,450,080 kw.h. in October, 1936, an increase of 8.95%.

Cumulative production for the ten months period ending October totalled 946,570,480 kw.h. compared with 869,133,810 kw.h. for the like period in 1936, an increase of 8.91%.

The company reports a gas output in October of 433,762,000 cubic feet, as against 447,105,000 cubic feet in 1936, a decrease of 2.98%.

This was a somewhat better showing than in the cumulative ten months' period, when output amounted to 4,176,615,000 cubic feet, as against 4,328,427,000 cubic feet in the like period of 1936, a decrease of 3.51%.

Bank of Canada Weekly Statement

Over $17.3 millions in short-term Government bonds was added to the holdings of the Bank of Canada during the past week, according to the regular statement. The increase is apparently accounted for by the gain of $20 millions in deposits of the chartered banks which, in turn, are probably the result of the $100 millions Dominion of Canada refunding loan offered in the week covered by this statement.

Balance Sheet

Liabilities	Nov. 3, 1937	Oct. 27, 1937
	$	$
Capital paid-up	10,000,000	10,100,000
Notes in circ.	160,741,641	160,706,171
Rest fund	743,716	743,716
Depos.: Dominion	33,102,130	31,225,775
Banks	211,616,806	191,631,411
Other	1,552,587	944,162
Total deposits	246,271,523	223,801,348
All other iabs.	4,357,360	2,414,365
Total liabs.	422,214,240	397,765,600
Assets		
Reserve: Gold	179,618,752	179,532,697
Silver bullion	2,683,515	2,647,501
Res. in sterling and U. S.	28,537,495	26,170,153
Other curr.	681	679
Total reserve	210,840,443	208,351,030
Subsidiary coin	95,549	83,468
Investments:		
Dom. govt. short	93,595,656	76,281,920
Other Dom. govt.	96,798,493	96,851,154
Other secs.	12,190,884	12,192,401
Total invest.	202,585,034	185,325,475
Premises	860,912	860,723
All other assets	7,832,302	3,144,903
Reserve ratio	51.80%	54.18%

Weekly Bank Clearings

	Nov. 4 1937	Change yr. ago	Oct. 28 1937
	$	%	$
Halifax	2,872,374	+10.3	2,510,020
Saint John	2,106,275	— 2.3	1,849,360
Moncton	1,018,788	+29.5	838,871
Sherbrooke	739,595	+ 8.1	663,894
Quebec	6,927,126	— 7.5	5,124,240
Montreal	131,683,373	—26.0	111,925,513
Ottawa	26,698,060	— 7.0	18,682,701
Kingston	654,615	— 1.6	611,204
Peterborough	763,991	+ 8.5	591,626
Toronto	142,433,100	—16.3	128,311,608
Hamilton	6,595,461	+20.0	6,137,675
Kitchener	1,351,339	— 1.4	1,095,432
Brantford	1,146,614	+ 8.1	1,007,585
London	3,406,918	+ 9.1	3,178,742
Chatham	1,183,319	+93.9	566,985
Windsor	3,215,195	+13.1	3,372,165
Sarnia	512,858	+ 1.7	498,963
Sudbury	842,680	—11.5	1,201,120
Fort William	980,789	+ 8.3	893,431
Winnipeg	55,323,967	— 8.6	46,923,131
Brandon	507,596	+12.3	409,605
Regina	4,831,955	— 4.3	3,376,049
Moose Jaw	743,669	—20.0	560,594
Saskatoon	1,644,571	—20.6	1,389,049
Prince Albert	427,395	— 6.6	343,823
Edmonton	4,836,817	— 8.5	4,460,855
Calgary	5,300,583	—15.9	7,363,072
Medicine Hat	350,372	+15.5	320,886
Lethbridge	815,639	+26.7	652,326
N. W'minster	813,280	+ 2.6	774,969
Vancouver	22,184,935	+37.4	18,849,282
Victoria	2,028,450	+ 5.5	1,549,344

Bank Chat

U. S. Gold Export

Apparently some $12 millions in gold was shipped out of the U.S. last week as a result of the demand for gold abroad following the rumor that the price of gold was going to be increased by the Roosevelt regime. Main gold demand at present comes from Holland and Switzerland. Despite the war, Japan is still piling her gold into the U.S., sending $6,662,000 last week.

* * *

Public Relations

Leadership given by banks in public relations campaigns is now bearing fruit in other lines of business. The United States public is now to be told the story of big industry's contribution to the welfare of the masses and raising their standard of living above that of any other country.

Some score of leading U. S. industrialists are taking part in a series of broadcasts which opened Nov. 6. They include Lammot du Pont, of the du Pont industries, the chairman of General Foods Corp., the president of General Mills Inc., the chairman of General Baking Co., the president of Remington-Rand Inc. and the president of the United States Steel Corp. The series is sponsored by Carborundum Co.

* * *

Branches Closed

Twelve branch banks were closed and only two new ones opened in Canada during the month of September, according to the current issue of the Bank Directory of Canada. Le Banque Canadienne Nationale opened a branch in the Quebec mining country, at Malartic and another sub-branch at West Shefford.

Ten of the closed branches were Bank of Commerce. Nine of them were in Saskatchewan, one in Alberta. The Bank of Nova Scotia closed its branch at Spring Valley, Sask., and Imperial closed its sub-branch in the mining town of Jellicoe.

Staff Changes

Imperial Bank of Canada announces the following staff changes:

H. M. SAMPSON, manager, Portage la Prairie, Man., appointed manager, Thorold, Ont.

G. W. STERLING, manager, Piapot, Sask., appointed manager, Portage la Prairie, Man.

L. L. MASON, manager, Laird, Sask., appointed manager, Piapot, Sask.

E. L MEERES, formerly accountant, Prince Albert, Sask., appointed manager, Laird, Sask.

J. E. DALGLIESH, formerly attached to Weyburn district, appointed accountant, Prince Albert, Sask.

H. D. SCOTT, formerly manager of the British and foreign department, appointed superintendent of foreign business, Toronto.

J. HADDEN appointed secretary of the bank in addition to his regular duties as manager of the legal department.

P. B. REEVE, manager, Hamilton, appointed manager, Yonge & Queen Streets, Toronto, succeeding the late J. F. Scarth.

W. H. COGHILL, manager, King & Spadina, Toronto, appointed manager, Hamilton.

G. R. MURTON, manager, 431 Yonge St., Toronto, appointed manager, King & Spadina, Toronto.

G. S. THOMPSON, formerly assistant manager Montreal, appointed manager, 431 Yonge St., Toronto.

G. F. LOVE, of the relief staff, appointed assistant manager, Montreal.

The Bank of Nova Scotia announces the following staff changes:

G. B. CLARKSON to be manager at Digby, N.S.

W. A. SMITH to be manager at Queen & Lansdowne, Toronto.

R. P. WEBB to be manager at Park & Fairmount, Montreal.

A. BOURGON to be acting manager at Eastview, Ont.

The Bank of Nova Scotia announces the following staff changes:

W. B. SNOW to be manager at Rideau and William, Ottawa, succeeding F. B. Hopkirk, retiring on pension.

A. C. ALLEN to be manager at North Bay, succeeding T. S. Atkinson, retiring on pension.

G. M. SCHURMAN to be manager at Stellarton, N.S.; T. L. McGhie to be manager at Emira, Ont.

C. R. TIBERT to be assistant manager at St. John's, Nfld.

The Royal Bank of Canada announces the following staff changes:

A. B. O'CONNOR, formerly accountant, Pembroke, Ont., to Comber, Ont., as manager.

C. B. CLARK, formerly supervisor's department, Toronto, to London, Ont., as asst. manager.

W. C. MacGILLIVRAY, appointed accountant at Calgary.

C. F. KENNEDY of Comber, Ont., retired on pension October 15.

Chem. Research Patent Fight Goes Before U.S. County Court

At the Chemical Research Corp. annual meeting in Detroit on Nov. 6, Hon. Alex J. Groesbeck told shareholders that the bill of complaint against Pure Oil Co., demanding the return of polymerization patents, has been entered in court, and action will commence shortly. Mr. Groesbeck, who is an ex-Governor of Michigan and an ex-mayor of Detroit, is acting in a legal capacity for Chemical Research Corp. in this dispute.

Audit of the Gyro Process Co., in which Chemical Research has 60% interest and Pure Oil Co. a 30% interest, is expected to be completed in the next two or three weeks. This audit entails study of all dealings with Pure Oil Co. over the past 10 years.

The dispute between Chemical Research Corp. and the Pure Oil Co. arises out of an agreement made in 1927, providing for formation of the Gyro Process Co. This agreement contained a clause that all improvements, devices, patents and applications for patents, obtained by Pure Oil on processes and products of Gyro Process Co. shall be transferred to that company without cost. Similarly, patents, etc., purchased or acquired by Pure Oil shall be transferred.

Chemical Research Corp. claims, according to Lt.-Col. T. W. MacDowell, president, that the actions of Pure Oil Co. have been in direct contravention of the 1927 agreement.

In early development of the Gyro Process (controlled by Chemical Research Corp.), one apparent serious complaint of the refining industry was the excessive production of by-product gas under the process. Experiments to overcome this difficulty eventually led to elimination of this loss through polymerization, which is the process of converting the gas by-product into high octane motor fuel.

Present average rating of motor fuels is about 70 octane. Lt.-Col. MacDowell states that, according to authoritative opinion, commercial engine manufacturers will almost certainly design new engines to take advantage of the economies and other features of new fuels available through polymerization.

The Pure Oil Co., together with Alco Products Inc., which licenses and manufactures Gyro process units, is stated to have developed polymerization to the point where several licenses have been taken out, and units are now being built. One of these licensees is a major U. S. oil company.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	1937 Nov. 1	1937 Nov. 2	1937 Nov. 3	1937 Nov. 4	1937 Nov. 5	1937 Nov. 6	1936 Nov. 6
U. S. dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
1936, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
U. K. pound	4.96[illegible]	4.96¼	4.96[illegible]	4.97⅝	4.99½	5.00	4.87½
Australia	3.97⅜	3.97¼	3.98	3.98½	4.00	4.00½	3.89⅝
Austria	.1888	.1888	.1888	.1887½	.1887½	.1887½	.1872
Belgium	.1693½	.1693½	.1694	.1697¾	.1702½	.1703½	.1693
Brazil	.0560	.0560	.0560	.0560	.0550	.0555	.0585
Czechoslovakia	.0350⅝	.0350⅝	.0350⅝	.0350⅝	.0350¼	.0350¼	.0354
Denmark	.2215	.2215	.2219	.2222¼	.2223¼	.2232¾	.2178
France	.0337½	.0337½	.0338	.0338⅛	.0339⅞	.0339⅞	.0462⅝
Germany	.4019½	.4019½	.4022½	.4025¼	.4031¾	.4038¼	.4020
Greece	.0091	.0091	.0091	.0091	.0091¾	.0091¾	.0089½
Holland	.5529½	.5529½	.5530	.5527¼	.5525¼	.5537¼	.5366
Hungary	.1977	.1977	.1977	.1976⅞	.1977⅝	.1976⅝	.1978
India	.3750	.3750	.3750	.3763⅞	.3774⅞	.3779⅞	.3176
Italy	.0526¼	.0526¼	.0526¼	.0526	.0526⅞	.0526⅞	.0526¼
Japan	.2893	.2893	.2895	.2901	.2909	.2915	.2857
Jugoslavia	.0233½	.0233½	.0233½	.0234	.0234	.0233½	.0233
New Zealand	4.00½	4.00⅝	4.01⅛	4.01⅝	4.03⅛	4.03⅛	3.92½
Norway	.2494	.2494	.2498	.2501¼	.2510¼	.2513¾	.2451
Poland	.1894	.....	.1893	.1893	.1893	.1893	....
South Africa	4.95¼	4.95⅜	4.96	4.96¾	4.98⅝	4.97⅛	4.85¼
Sweden	.2559	.2559	.2563	.2566¼	.2578¼	.2579¼	.2515
Switzerland	.2313	.2313	.2315	.2313¾	.2320¾	.2325¼	.2298
Hong Kong	.3104	.3104	.3106	.3114	.3117	.3121	.3057

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Week in Mining

Declining U.S. Business Behind Gold's Reversal

While No Clues to Price Change Seen in Current Movement, Canadian Golds Show Relief — No Price Increase Is Seen

Mining investors are attempting to co-relate developments in the changing world gold picture with possibilities of a change in the price of the metal.

This is ultimately an impossible task. The U.S. "policy" is still frankly and openly on a day-to-day basis, and there have been many examples of how the administration's views can change over night. The gold scene, then, is a chaotic one in which the rumor monger has a field day, and the days of the prophet are troubled.

The tangible fact remains that the ominous gold inflow into United States has slowed up to a point where gold exports to Europe, of a sizable nature, are being reported. This fact is made more significant when it is remembered that, normally, this is a season of increased purchases of United States commodities, such as cotton, by Europe, with the result that seasonally this might be expected to be a period when the pound sterling was weaker than the United States dollar. The reverse is actually the case.

What is behind this reversal of trend? One reason advanced is that owners of foreign funds, which had been deposited and invested in United States because of war scares in Europe and the hope of genuine business recovery in the Republic, are now disappointed with developments on this continent, and withdrawing their money. Similarly, the election in France has had a stabilizing effect, with the result that funds are being called home. Aiding the movement was the fact that after the gold dehoarding and gold scare of some months ago, foreign balances in United States reached abnormal levels, with the result that some corrective move was inevitable.

It should be remembered that up to the present the movement of gold away from U.S. has been comparatively small. A shipment of $10 millions to France looks rather diminutive compared with the $1,250,000,000 in gold sterilized in United States. While the movement of gold from United States would be all to the good, from the standpoint of redistributing the precious metal among world nations, there is little in the trend to date, or in its basic causes, which would indicate that the United States Government would be justified in increasing the price still further. United States is undoubtedly all too happy at the present trend to risk a repetition of the gold-inflow problem.

Eases Problem

Apart altogether from the question of higher gold prices, however, the developments of the past few weeks have been of advantage to the holders of Canadian gold mining stocks, in that they ease the gold burden from United States shoulders. To this extent these developments clear away the uncertainty which surrounds the gold price, and give the gold scare of early this year another push toward its grave.

Stocks of Canadian gold mines have reacted to this improved picture, and prices at time of writing are generally higher than a week ago or month ago.

* * *

Hedge for Funds

There is, of course, another reason for the popularity of the dividend paying gold stocks, also linked to the slower tempo of U.S. business. Once again, falling commodity prices and declining business make these gold stocks, which enjoy a ready market and fixed price, look attractive to those investors who are apprehensive of the general industrial outlook. For the same reason, falling commodity prices mean lower costs to these producers, just as, earlier this year, rising costs helped bring down the market prices of gold stocks.

* * *

Inco Weaker

Stock of International Nickel Co. was generally weaker in the past few days, when the low for the year of $39.50 a share was approximated.

While some of this decline may have been due to recurrence of the hoary old rumor about a substitute for nickel having been invented, Toronto market observers were more inclined to attribute it to Inco's sympathetic alliance with United Steel stock, which has been, along with other industrial issues, declining of late. International Nickel stock generally moves with the steel issues, and the latest movement was no exception.

The "substitute for nickel" rumor, which was heard again last week, has, of course, made many appearances in the past, and has each time proved groundless.

International Nickel's third-quarter earnings statement, carried in another column, indicates that 1937 earnings estimates of around $3.40 per share, made earlier this year, may prove fairly close to the mark.

* * *

A Useful Enactment

During the period June 1 to Oct. 18, 80 Ontario mining projects in the early stages of development were issued letters patent as incorporated syndicates capitalized at 35,000 shares of $1 par, The Post learns, indicating that mining interests are keenly alive to the value of this form of incorporation. While such companies have the benefit of limited liability, their incorporation fees and corporation taxes are nominal.

The procedure leading to incorporation has been so simplified that application for letters patent can be made without the necessity of securing legal advice, though this is considered advisable, and it is evident that the provisions have been valuable to the small operator whose property has not emerged from the prospect stage.

This forward step was initiated by the Ontario Securities Commission after consultation with representatives of the industry.

* * *

Further Turner Activity

That development in Turner Valley is not dependent on small, isolated concerns for its financing, has proved to be one of the most satisfactory factors of the situation. It is obvious that were the drilling of wells dependent on small, individual groups, financial sources would, at times like the present, tend to dry up. Indication that this is not the case is contained in the announcement that Anglo-Canadian Development & Holding Co., one of the largest and best-financed operators in the field, will, through its subsidiaries, sponsor the drilling of four new wells. Sundance Petroleums, located south of Prairie Royalties, will start work immediately and West Flank Oils, another Anglo-Canadian subsidiary, will shortly start to spud in its Nos. 4, 5 and 6 wells.

A current survey shows a total of 37 wells drilling in Alberta, of which 24 are in Turner Valley.

* * *

Copper Nickel Exports

For the first 9 months of this year exports of copper and nickel from Canada transcended by a wide margin all previous figures and showed an increase of 45.9% over the corresponding figure for 1936. Value of this metal to Canada for the first nine months of 1937 was $84,513,000, according to Government figures. Largest increase was in copper, the value of which was $40,933,000, an increase of 64% over last year.

* * *

Index to Mining Stocks

The most interesting feature on the Canadian mining stock market during the week ended Nov. 4 was the activity in golds, particularly the seniors, which maintained an upward course throughout most of the week. Some other groups on the market in the same period were hesitant or inclined toward lower levels. After rising four points on Oct. 30 to 205.7, base metals lost ground steadily, reflecting lower quotations at London as well as depressed prices for base metals at New York. The Dominion Bureau of Statistics' price index of 24 mining issues registered a net gain of 3.9 to 131.0 between Oct. 28 and Nov. 4. The gold section rose 5.7 to 115.3, the highest level reached since the middle of August, while base metals dropped 3.8 to 195.0. The Bureau's monthly general index of mining stocks was 121.6 for October as compared with 127.6 for September.

Rouyn-Bell River Report Covers 200 Companies

Result of several months study and special investigation, a report on mining properties and development in the Rouyn-Bell River district during 1936 has been published by the Quebec Department of Mines & Fisheries, with the authorization of Hon. Onesime Gagnon, minister of Mines and Fisheries. The report, which covers 1936 development on some 200 companies, was prepared by Dr. L. V. Bell, geologist, who since 1929 has been the head of many geological expeditions into this area. Maps are included of 26 townships. This 85-page brochure is published in both French and English.

Monarch Royalties Will Pay Dividend

From Our Own Correspondent

MONTREAL.—Monarch Royalties Ltd. has advised the Montreal Curb Market that it will make a distribution to shareholders of record Nov. 20, in accordance with the trust agreement covering proceeds of production for the three months ended Oct. 31. The distribution will be payable Nov. 27. It is expected that the amount of the distribution will be known within a few days.

Mining Options

Central Porcupine Mines—Reports payment has not been made covering Oct. 31 installment of 500,000 shares at 50 cents per share, under agreement Apr. 13, 1934. Under the agreement 500,000 shares were taken up at 25 cents per share.

Darkwater Mines—Has granted an option on 30,000 shares at 50 cents until Sept. 28 next in consideration of an advance of $15,000 by way of loan.

Homestead Oil—60-day extension on Oct. 16 option installment, covering 25,000 shares at 50 cents under agreement July 16. Similar extension granted on all subsequent installments.

Lapa Cadillac — 25,000 shares, part of Oct. 15 option installment taken up at 40 cents. Balance covering option of 20,000 shares at 50 cents, extended for one month, with similar extension for subsequent installments, option price reduced to 40 cents in each instance. Agreement originally covered underwriting on 125,000 shares at 40 cents and option upon 275,000 shares at 40 cents and 200,000 shares at 50 cents. Total of 400,000 shares taken up.

Payore Gold — Oct. 15 installment on 40,000 shares at 25 cents, under agreement Mar. 17 last, paid in full. Balance covers 155,000 shares at 25 cents, 250,000 at 27½ cents, 175,000 at 35 cents, 225,000 at 50 cents, 225,000 at 75 cents and 225,000 shares at $1 per share. Total issued capital 3,672,160 shares out of an authorized 5,000,000 shares.

North Star Oil Plans Expansion

Offers to Purchase Assets of Prairie Cities Co.

Shareholders of Prairie Cities Oil Co. will shortly be asked to vote on an offer by North Star Oil under which the latter company takes over all assets owned by Prairie Cities. The deal is to be a cash purchase for $300,000, an exchange of securities being involved.

North Star Oil will assume all current liabilities of the vending company, as well as the $415,000 issue of first mortgage bonds of Petroleum Realty Corporation, wholly-owned subsidiary of Prairie Cities.

It is understood that Prairie Cities Oil Co. will, if the deal goes through, distribute the cash and be wound up. The class A shares are now in arrears of dividends to the extent of $7.50 per share, and the cash offered will amount approximately to $6 per share. If the distribution were made on these lines, there would be no equity available for the class B shares, of which there are 10,000 outstanding.

Prairie Cities Oil Co. was incorporated in 1929 to succeed Prairie City Oil Co. It engages in the business of distributing petroleum products, mostly to the retail trade in Manitoba and Saskatchewan, where it has 250 distributing points.

Nesbitt, Thomson and Co. Takes Up Beaufor Shares

From Our Own Correspondent

MONTREAL. — Nesbitt, Thomson and Co. has purchased 1,291,666 shares of Beaufor Mining Corp., in accordance with the option agreement dated July 24, 1935. The last payment made by the underwriters on Oct. 29, 1937, covered 41,666 shares at 50 cents a share, leaving under option 208,334 shares.

Cash position of Beaufor Mining Corp. now exceeds $225,000.

Quebec Mines Output Is Up

Twenty-one Properties Show Production in Nine Months

From Our Own Correspondent

QUEBEC.—Gold produced in Quebec during the first nine months of the present year had a total value of $18,092,060 in Canadian funds, official statistics issued by the Provincial Bureau of Mines reveal.

Production which amounted to 516,916 ounces came from 21 mines of the province, with Lamaque Mine, which had a nine-month production of 57,095 ounces, leading the field.

Lamaque and Siscoe were neck and neck, since the Siscoe production of 56,527 ounces was but 586 ounces less than that of Lamaque, while the latter's value in output of $1,998,325, was but $19,880 higher than the Siscoe figure of $1,978,445.

While Lamaque and Siscoe were the biggest producers, they only ranked third and fourth in the tonnage treated. Beattie, with a total of 432,130 tons of ore treated, led the way, followed by Canadian Malartic, on whose properties 172,767 tons of ore were treated. Lamaque treated 150,751 tons of ore, and Siscoe 146,276 tons.

Company:	Ore treated tons	Gold content ounces	Gold content value $
Arntfield	44,730	4,520	158,200
Beattie	432,130	51,258	1,794,030
Belleterre	28,756	6,646	232,610
Candn. Malartic	172,767	22,605	791,175
Lamaque	150,751	57,095	1,998,325
McWatters	24,887	9,775	342,125
O'Brien	31,299	28,915	1,012,025
Perron	91,359	20,100	703,500
Shawkey	38,754	7,045	246,575
Sigma	70,074	17,482	611,870
Siscoe	146,276	56,527	1,978,445
Stadacona	68,533	9,481	331,835
Sullivan	41,102	16,369	572,915
8 other mines	......	209,098	7,318,430
Total	......	516,916	18,092,060

News Concentrates

Armistice Gold Mines in Larder Lake area, reports that trenches are being dug at 60 ft. intervals across the break and that favorable conditions have been encountered in the deepest trenches. Company has completed diamond drilling programme originally scheduled, having placed 10 holes.

* * *

Barber-Larder Mines in McGarry twp., Larder Lake mining division, southwest of Kerr-Addison, discontinued diamond drill hole No. 36 when it flattened out. Although some ore was cut, assays have not yet been released. Another hole, to go down about 400 ft., has been started near the site of No. 36 hole. Barber-Larder plans to continue drilling at closer intervals for another month or six weeks after which shaft sinking will be undertaken.

* * *

Buffalo Ankerite Gold reports production of approximately $256,000 during October from treatment of 31,008 tons of ore, an all-time high. Mill treated average of 1,000 tons daily, grade being $8.26 per ton. Previous production peak was $245,684, in August last. Final September production figure is $243,286.

* * *

Cariboo Gold Quartz Mining reports October production at $113,785. Mill treated 7,826 tons of ore for recovery of 3,251 fine oz. gold. Average recovery per ton was $14.54. September production was $103,530, average recovery being $13.90 per ton.

* * *

Cook Lake Gold Mines in Schreiber area, Ontario, reports that good progress is being made in sinking its two-compartment shaft, which is going down 80 ft. southeast of No. 8 vein. Collar for the headframe is being set and sinking under power is to start shortly. Initial objective is 100 ft., where a level will be established and lateral work done on veins Nos. 8, 9 and 10. Cook Lake's subsidiary, Molydor Mines, is developing a molybdenite property 28 miles east of Port Arthur and north of Loon Lake.

* * *

Dome Mines gross production for October last was $625,815 from milling of 49,700 tons. This compares with production of $601,631 for Sept., 1937, and $685,373 for Oct., 1936.

* * *

Electra Porcupine in east Night Hawk Lake district, Porcupine area, is undertaking a renewed programme of development and diamond drilling at its property adjoining the Kendou and Aquarius Porcupine groups.

* * *

Fontana Gold Mines holding 20 claims in two groups, Duverny twp. of northwestern Quebec, advises that it has accepted a financing proposition under which firm commitment will be made for a large block of stock, with options on further stock spread over several months. J. F. Simard, president, states that if all stock is taken up the total to be paid into Fontana's treasury is $425,700; arrangements will provide the company with sufficient cash to continue underground work. Representatives of American financial interests behind the deal will be appointed to Fontana directorate. J. M. Forbes, consultant, hopes that by next summer property will be ready for construction of a mill.

* * *

Halliwell Gold Mines has already revealed an ore body above drift 305 in the underground workings of its Beauchatel twp. property and is diamond drilling to trace its extent, reports F. X. Forgues, president. From surface 24,103 ft. of drilling has been done and 31 holes have been completed underground in the new programme.

* * *

Harricana Amalgamated Gold in Dubuisson and Bourlamaque twps. of northwestern Quebec, has advised J. H. Pare, managing director, that a strong vein, showing good values, has been encountered in the third level crosscut. Details as to width and assays have not yet been issued.

* * *

Heva Cadillac Gold in Courville twp., Quebec, will be supplied by Howey Gold Mines with sufficient funds to investigate the find recently made on its property. Howey, which has firmly underwritten a block of Heva Cadillac stock, will form a new 3,000,000-share company if this is justified by results of exploration.

* * *

Lake Geneva Mining has completed a new building to house the power plant burned last August at the property in Hess twp., 40 miles northeast of Sudbury. Company hopes to resume production by Dec. 1.

* * *

MacFarlane Long Lac holding nine claims in Little Long Lac area of Ontario, now has its shaft down over 100 ft., according to W. G. Chipp, secretary-treasurer. He reports that at approximate depth of 50 ft. a vein unexpectedly encountered continued in the shaft below 100 ft. Company expects to intersect high grade vein indicated by diamond drilling about 130 ft. down. MacFarlane is understood to have arranged finances to continue development programme.

* * *

McCoy Molybdenite is advised by C. W. Fowlie, engineer in charge, that a parallel pegmatite dyke has been discovered on the property about 45 miles south of town of Renfrew, Renfrew county Ont. Company was formed to develop seven claims.

* * *

Oriole Mines adjoining Murphy Mines on the west in Kirkland Lake area, has contracted for 2,000 ft. of diamond drilling, work to start shortly.

* * *

Phoenix Molybdenite Corp. reports that mill on its property near Renfrew, Ont., is treating more than 40 tons of ore daily. W. H. Hamblin, vice-president, states that considerably larger tonnage could be treated with the opening of the second level and a few changes in the mill. As soon as extra funds are available, tonnage will be stepped up. Three-compartment shaft into the cut known as the "crossing" is down 24 ft. in good ore. Company has sold four long tons of concentrate, which will be shipped immediately from mine.

* * *

Paymaster Consolidated reports October production at $114,225 from treatment of 14,749 tons of ore. Mill handled an average of 476 tons daily during the month, recovery per ton being $7.74.

* * *

Rebair Gold Syndicate is advised in a report by C. H. Miles, M.E., that on its property in Lake of the Woods district, Dome vein has been trenched for 1,100 ft., width varying from 1-14 ft. Ten of the 22 samples cut from quartz in different trenches returned average of $13.68. Three averaged $4.08, five $19.11 and remaining four $33.78. Combined average was $17.86 per ton.

* * *

Sigma Mines reports gross production for October at $124,928 from milling of 15,455 tons of ore. This compares with production of $121,069 for September.

* * *

Valloc Gold Mines has negotiated a 51% interest in property of Hill-Teider Syndicate, Robb twp., Kamiskotia area of Porcupine mining division, Ont. Syndicate owns outright four patented and one unpatented claims. It is recommended that a small mining plant be taken in to sink on the large pit following the free gold.

* * *

Wakami Gold Mining Syndicate working a property at Hardiman Bay, Harwood Lake area, is carrying out an initial 1,500 ft. of drilling as a check and will do further drilling on the results secured, according to A. E. Pearce, president. First holes are being sunk at western end of the holdings.

* * *

Williamson Mines has taken an option on 16 claims in Champagne twp., Sudbury mining district, following an examination by H. B. Hatch. Previous development work disclosed 17 gold-bearing veins, the company reports. Preparations for an active winter campaign are being made and present plans call for sinking on the high-grade vein which returned good values in previous work. If completed the option deal will give Williamson complete ownership of property.

Output Rises For Asbestos

Quebec 8 Months Mineral Production is Higher

From Our Own Correspondent

QUEBEC.—An increase of over 30% in asbestos production in Quebec is reported for the first eight months of the present year, as compared with a similar period in 1936. Official figures show production for the January-August period this year was 269,820 tons, whereas for the same eight months last year production only amounted to 173,258.

Gold, silver, clay products, lime and cement all registered increases, similar to that in the asbestos field.

Production for the month of August this year showed a substantial increase in silver and asbestos, but a drop in the gold output of the province, 1936 figures for August gold production being 61,284 ounces, and those for August, 1937, 56,869 ounces.

Howey Options Stock Heva Cadillac Gold

Howey Gold Mines, whose main properties are in Red Lake camp of Ontario, has entered into an agreement with Heva Cadillac Gold Mines, whereby Howey has an option on 1.5 million shares of Heva stock. Of this, Heva Cadillac reports, payment has already been received for 20,000 shares at 25 cents per share. Of the remainder, 180,000 are optioned at 25 cents, and 1.3 million shares at 50 cents per share, the money thus raised to be spent on the 1,000-acre Courville property, on which encouraging assays were recently obtained on surface.

Should this work reveal that greater development is warranted, a new company will be formed on the Courville group only, capitalized at three million shares, $1 par value. Heva Cadillac would receive one million shares in the new company as vendors. The remaining shares of the new company would be optioned to Howey at prices which would net the new company $830,000 to $850,000, depending upon the amount of stock Howey took down under the original option.

In addition to the Courville ground, Heva Cadillac has two other groups in Villebon twp., Quebec. Heva Cadillac reports that of its three million shares authorized capitalization, 1,000,000 shares were issued for properties and are escrowed, 303,972 have been issued to the public and 1,541,000 shares are under option, including the 1,480,000 in the Howey option. Drilling on the Courville property will start immediately.

Queensboro to Work Old Diamond Property

Shareholders of Queensboro Gold Mines and Old Diamond Gold Mines have ratified consolidation of the properties under an agreement which gives Queensboro control and ownership of the adjoining ground of Old Diamond in Hastings county, Ont. George H. Barber, secretary-treasurer of Queensboro Gold, states that its capitalization is being increased from 3,000,000 to 4,000,000 shares to make provision for Old Diamond shareholders.

After all allotments for properties, over 2,200,000 shares will remain in treasury for financing. Main workings are on what was formerly the Richards property, optioned by Old Diamond Gold but recently relinquished for non-fulfillment of contract. Queensboro is securing these holdings for a money consideration which does not represent one-third of the amount already spent in developing it, and will then have the means of starting immediately on a campaign of underground development.

Change Transfer Agent

Transfer agent for Canadian Wineries Ltd., stock will be Eastern Trust Co., Toronto, commencing Dec. 1, 1937. The company has advised the Toronto Stock Exchange that this change will be made.

NOTICE OF SALE OF ASSETS OF GALE GOLD MINES LIMITED

(No Personal Liability)

(In Bankruptcy)

Sealed tenders will be received by the undersigned up to 3:30 p.m. Eastern Standard time, on Friday, November 19th, 1937, for the purchase en bloc of the assets of Gale Gold Mines Limited, situate in the Township of Dubuisson, Pontiac, Quebec, near Shawkey, Quebec; including all machinery, equipment, materials, buildings, ore and mining claims covering approximately 207 acres. Considerable development work (including drilling) has already been done on the property. The undersigned reserves the right to sell the said assets in three parcels, namely:

(a) Mining claims and buildings; (b) Machinery and equipment including Diesel Engine and large Ingersoll Rand Air Compressor and (c) Electrical, mechanical and commissary supplies.

Tenders should specify whether the offer is for the purchase of the assets en bloc or for one or more of the above parcels.

TERMS: 25% in cash or certified cheque must accompany each tender, and the undersigned shall not be obliged to accept the highest or any tender; balance upon transfer of title.

For further particulars and detailed description of property and assets apply to Guaranty Trust Company of Canada, 190 London St. W., Windsor, Ontario, or Guaranty Trust Company of Canada, 70 Richmond St. W., Toronto, Ontario. DATED at Windsor, Ontario, October 15th, 1937.

Guaranty Trust Company OF CANADA

WINDSOR ONTARIO

Trustee in Bankruptcy of Gale Gold Mines Limited

Inco Reports Third Quarter Earnings Down

86 Cents Per Share Still Higher Than 1st Quarter

International Nickel Co. of Canada has released a report covering operations for the third quarter of the year, and showing per share earnings of 86 cents for the period. This brings the company's nine months earnings, to the end of September, to $2.57 per share, as compared with $1.75 per share last year.

Third quarter earnings are slightly lower than the second quarter figure of 94 cents per share, but higher than the 77 cents earned in the first quarter.

The company continues to improve its working capital position. At the end of 1936, Inco's working capital was $63,610,031. By the end of June last, this figure had increased to $65,989,106. By the end of September, working capital was $68,354,894.

It is noticeable from the income and surplus account below that administrative and general costs were generally lower in the third quarter than in the second.

Income and Surplus Account Three Months Ended Sept. 30

	1937 $	1936 $
Earn. from oper.	18,548,574	13,774,468
Less: Admin. & gen. exp.	423,514	390,851
Net oper. profit	18,125,060	13,383,617
Add: Other income	118,295	62,630
Less: Inc. & franc. taxes	2,596,856	2,043,899
Deprec. & depl.	2,161,669	1,308,469
Retire. system & misc.	454,702	521,773
Net profit	13,030,028	9,572,106
Less appropriations:		
Preferred divids.	483,475	483,475
Common divds.	7,289,084	5,102,359
Surplus for period	5,257,469	3,986,272
Add: Previous surplus	67,265,377	52,383,624
Less: Trans. to retire. res.	1,510,326	......
	71,012,520	56,369,896
Earns. per Share & Divd. Record:		
Common: Earned	$0.86	$0.62
Paid	0.50	0.35

Income and Surplus Account Nine Months Ended Sept. 30

	1937 $	1936 $
Earn. from oper.	54,321,061	38,940,357
Less: Admin. & gen. exps.	1,278,314	1,203,383
Net oper. profit	53,042,747	37,736,974
Add: Other income	389,123	263,690
	53,431,870	38,000,664
Less: Inc. & franch. taxes	8,116,165	5,825,335
Deprec. & depl.	5,102,538	3,858,363
Retire. system and misc.	1,268,787	1,287,856
Net profit	38,944,380	27,029,080
Less appropriations:		
Preferred divids.	1,450,424	1,450,424
Common divds.	21,867,254	13,120,352
Surplus for period	15,626,702	12,458,304
Add: Prev. surplus	59,896,144	44,176,488
Less: Trans. to retire. res.	4,510,326	......
Tax adjust.	......	264,896
Balance forward	71,012,520	56,369,896
Earns. per Share and Divd. Record:		
Common: Earned	$2.57	$1.75
Paid	1.50	0.90

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C. & E. Corp. Dividend Explained By President

The five-cent dividend declaration of Calgary & Edmonton Corp. was explained by H. F. Osler, president at the recent annual meeting. Mr. Osler stated that the distribution had been kept at a low figure with a view to conserving liquid resources of the Corporation so that it might be in a position to take advantage of opportunities for developments arising from time to time on holdings, keeping in mind the objective of building up the earnings position so that regular payments to shareholders might eventually be established.

Dunrobin's U. S. License To Be Unused at Present

No activities in the United States are planned immediately by Dunrobin Ltd., which has, however, taken out a license to manufacture spirits from grain and fruits in that country. Operations for the time being at least will be confined to Canada.

Following the annual meeting held in Toronto recently, John Gleeson, of Ottawa, was elected president. The other directors of the company are Dr. P. J. Maloney, Dr. G. M. Sutherland, E. C. Welsh, E. C. Starner, L. C. Rumsey, and Duncan McLaren.

TURNING NATURAL RESOURCES INTO NATIONAL PROSPERITY

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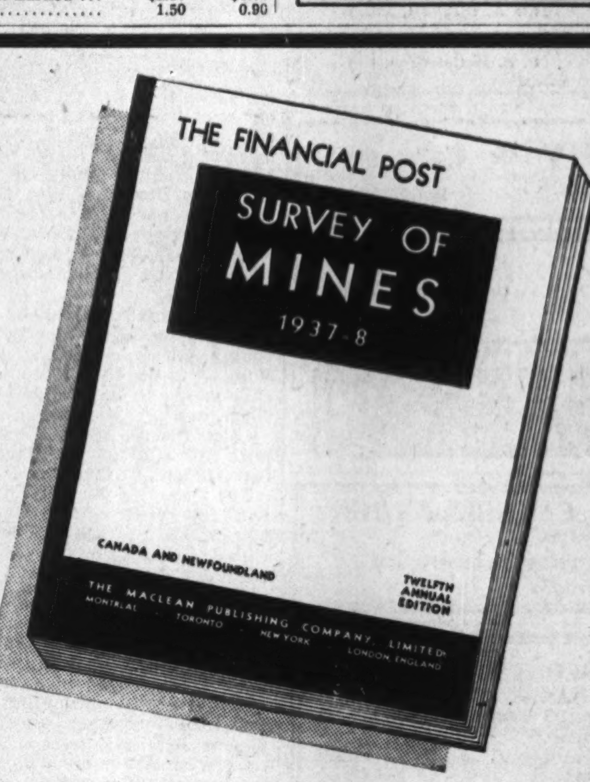
Through years of patient research and the expenditure of millions of dollars, this Company has played a leading part in the development and utilization of Canada's mineral resources—particularly lead, zinc, copper, silver, gold, bismuth and cadmium. The Company's engineers have recently developed a process for the recovery and refining of another important metal present in its ores—antimony, and a plant is now being built to produce it.

In addition to the metals mentioned, the Company manufactures numerous by-products among which are sulphuric acid, sulphur and a range of fertilizers containing phosphorus and nitrogen.

These products, most of which are exported to the markets of the world, aid in maintaining Canada's favourable trade balance . . . and so contribute to the high standard of living which Canadians enjoy.

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED



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B. C. Producers Have Good Month

Sheep Creek, Bralorne and Pioneer Report October Results

From Our Own Correspondent

VANCOUVER.—Sheep Creek Gold Mining Co.'s production in October was valued at $20,000 more than in the previous month as a result of operations in the fourth level of the Hideaway vein, the management announces.

From 4,716 tons recovery was valued at $103,064, a recovery of $21.85 per ton.

Bralorne Gold Mines set an all-time high in October with production valued at $261,800, compared with $257,705 in September. From 15,135 tons of ore recovery was 7,480 ounces.

Pioneer Gold Mines also had a good month, with production valued at $184,000, an advance of $1,000 over the previous month. March is the only month so far this year to exceed that figure. Expenses were rated at $80,000, so that profit was given as $104,000.

Richgreen Gold Mines, near Beardmore, in Beardmore-Sturgeon River area, has retained engineer to make magnetic survey of property. Stripping and trenching has been carried out and work on several test pits started. Surface assays are reported as low but encouraging.

B. C. Securities Bill Provides Wide Control Over Mines Financing

Strong Policy Attributed to Hedley Amalgamated Scandal

CURB ON FRAUDS

From Our Own Correspondent

VANCOUVER. — Far-reaching powers to control the financing of mining and other companies in British Columbia and curb high-pressure promotion, even to the extent of giving the provincial government authority to suspend stock exchanges, are sought in amendments to the Securities Act that will be submitted to the Legislature during its present session.

Attorney-general Gordon Wismer says that there is no intention of being unnecessarily oppressive toward legitimate forms of investment, but that the Government seeks to have strong machinery to curb fraudulent practices.

The Government's programme is believed to be a direct sequel to the Hedley Amalgamated scandal early this year. As a result of this case, which resulted in suspension of trading in the stock and the loss of hundreds of thousands of dollars to those who bought shares, many B. C. mining issues suffered, and the whole market is believed to have felt the shock of impaired reputation.

May Go to Committee

The whole question will be extensively aired in the house and will probably be placed in the hands of a legislative committee.

According to the statement issued by Mr. Wismer concerning the proposed amendments, the following are features of the new legislation:

1. It forces any company selling stock to the public to inform the Government immediately of any material change in its physical or financial set-up.

For example: If a mining company advertised that it expected to strike an ore body at a certain level and failed to do so, it would have to inform the Government of the fact immediately. Then the Government could itself publish the news or force the company to do so.

It could also prevent a company from selling more stock if its affairs were going badly. This is designed to prevent large stockholders selling out their stock to the public after finding out that their mine is worthless before the public has learned the truth.

False Statements

2. A company and its heads are guilty of an offense not only if they make false statements but if they fail to disclose to the Government a material fact about their operations.

3. No stock salesman may call at people's houses to sell stock or telephone them. Such calls will be permitted only where the salesman or broker is dealing with a personal friend, a business associate or a regular customer. This is designed to stop the high pressure salesman who, operating by telephone or personal call, sells worthless stock to ignorant people.

4. If a broker's customer signs an unreasonable blanket agreement by which a broker may pledge his stock at a bank or deal with it otherwise as he pleases, the contract is voided by the new act. The customer must sign a specific agreement permitting the broker to handle his stock in this way before such a transaction becomes legal.

May Publish Denial

5. The existing system of advertising for investment of capital with a promise that the investor will get employment in the company concerned is definitely stopped.

6. Where a company publishes any misleading information about its affairs the Government may publish a correction as it pleases.

7. All investment counsel must register as brokers and assume a broker's responsibility.

8. The Government will have full access to all stock exchange business and records at all times. On executive committees of stock exchanges will be placed the responsibility of enforcing Government regulations among members.

9. Newspapers must give the source of their information in connection with news of company promotions, and so long as names of the authorities are given newspaper reports are privileged.

10. At any time the Government may halt the sale of any security either in a stock exchange or outside it.

11. The Government may audit the books and examine the records of any broker at any time.

12. All officials in the securities branch of the Attorney-General's department are forbidden to disclose any fact about any company except when their duty requires them to do so. This is designed to protect the privacy of every company's legitimate business.

13. The Government may publish a list of registered stock salesmen and also the names of those suspended and not entitled to sell stock.

No Exemptions

14. In the past where a company sold its stock to a broker it was exempt from registration. This exemption is wiped out.

15. To protect prospectors, the Government may cancel any unfair agreement by which the prospector's stock in a newly promoted company is held in escrow. This would enable the Government to let the prospector have enough money to live on during early stages of development.

16. Benevolent companies forbidden by the terms of their charters to declare dividends are exempted from registration.

17 Finally, the maximum penalty for any individual who violates the act is raised from a $1,000 fine to a fine of $25,000 and six months in jail, the penalty for a company remains at $25,000.

East Malartic Mines Reduces Optioned Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has listed 13,000 additional shares of East Malartic Mines, which have been taken up at 80 cents a share under the terms of the option agreement.

East Malartic now has outstanding 1,829,666 shares. A total of one million shares is held in escrow and 170,334 shares remain in the treasury of which 70,334 shares are under option at 80 cents a share.

Mining Company Charters

Amphi Gold Properties — Que. incorp. Oct. 9, 1937. H. O., Amos, P.Q. Auth. cap 100,000 shares, $1 par.

Sab-Lac Copper & Gold Mines—Que. incorp. Oct. 5, 1937. H. O., Trois-Rivieres, Que. Auth. cap. 99,900 shares, $1 par.

Centrel Zeballos Gold Mines—B. C. incorp. Oct. 20, 1937. H. O., Vancouver, B.C. Auth. cap. 3,000 shares, $50 par.

Howard Gold Mines—Ont. incorp. Oct. 15, 1937. H. O., Toronto. Auth. cap. 500,000 shares, $1 par.

Kamlac Gold Mines—Ont incorp. Oct 19, 1937. H. O., Toronto. Auth cap. 3,000,000 shares, $1 par.

Magnetawan Feldspar Mining Syndicate—Ont. incorp. Oct. 13, 1937. H. O., Burton twp., Parry Sound dist., Ont. Auth. cap 35,000 shares, $1 par.

Ninety-Nine Mining Syndicate—Ont. incorp. Oct. 15, 1937. H O., Toronto. Auth. cap. 35,000 shares, $1 par.

Sanymac Mining & Development Co.—Ont. incorp. Oct. 15, 1937. H. O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Wells Mining Corp.—B. C. Incorp. Oct 23, 1937. H. O., Vancouver, B.C. Auth. cap. 100,000 shares, $1 par.

SURRENDER OF CHARTER

Bruin Grand Gold & Silver Syndicate—On Oct. 21, 1937, gives notice that it will apply to the Lieut.-Governor of Ontario for acceptance of the surrender of its charter.

CHANGE OF NAME

Savant Sturgeon Gold Mines—At Oct. 21, 1937, has changed its name to Beau-Larder Mines and increased its capital from 3,000,000 shares, $1 par, to 4,000,000 shares, $1 par, by Ontario supplementary letters patent.

Pour First Brick At Gurney Mine

From Our Own Correspondent

WINNIPEG. — Sidney Smith, president of Gurney Gold Mines, and a fairly large party attended the ceremony of pouring the first brick recently. Attached to the regular train for the north, which now boasts an air-conditioned car, was a special coach, containing officials and friends of the company.

Reward Stops At Edye Pass

Development at Surf Point Indicates Fairly Low Grade

Reporting on operations of the company for the quarter ended Sept. 30, John D. Galloway, managing director of Reward Mining Co., reports that all work was concentrated on the Porcher Island properties, work on the other groups of the company in Alaska, Bridge River and Cariboo being confined to assessment work.

On Porcher Island, the Edye Pass Mine was operated until Oct. 1, when all work was stopped. While certain small ore shoots were disclosed, development results were not particularly satisfactory. Mr. Galloway believes that further work is warranted but that it is advisable to postpone it. Title to these holdings has been obtained from the owner, Frank Patterson, for a block of Reward stock, and $2,400 cash payable over two years.

At the Surf Point mine on Porcher Island, 1,933 tons of ore were milled from a total of 4,956 trammed, the remainder being waste sorted out. The average grade of the ore milled was 0.444 ounce per ton. Some 102.3 tons of concentrates were produced, with an average gold content of 7.89 ounces per ton, indicating a net gold recovery of slightly over 800 ounces.

The grade of ore broken in stoping is quite low, Mr. Galloway points out, averaging 0.1718 ounce gold per ton, or approximately $6 per ton. Until some higher grade is developed in the mine, the margin of profit is slight on a 60-ton-per-day basis. Mr. Galloway expects, however, that much better ore will be developed from time to time.

The report refers to the successful drilling of the Model-Spooner-Reward well in Turner Valley. Reward Oils Ltd., in which Reward Mining Co. has an interest, owns a one-third interest in this well.

Mine Syndicating Procedure Shown

A. B. C. of Incorporating $35,000 Companies Published

The A B C of organizing mining syndicate companies, with capital not exceeding $35,000, is contained in a booklet just issued by the Ontario Securities Commission, and prepared in co-operation with the Ontario Prospectors and Developers Association.

The $35,000 syndicate company idea was formulated in a desire to allow a prospector to raise funds for initial development of a property without having to resort to the mining syndicate, in which the unit holder were liable for indebtedness incurred. Under the new plan, provision for which was made by an order-in-council effective May 29, 1937, the prospector may finance operations through a limited company, formed at small cost. The department fee for such an incorporation was set at $25, instead of the former minimum fee of $100.

In the newly-issued booklet the advantages of this procedure are stressed. The simple process of forming a syndicate company is described in layman's language, with ample examples.

Particulars are given of qualifications for selling shares of such small companies. The booklet points out that shares must have a par value of $1 each, and that 75 cents a share at least has to go into the treasury of the company.

Charter of a mining syndicate company automatically expires three years after incorporation, but may be renewed.

Treadwell Yukon Alters Reorganization Plans

Shareholders of Treadwell Yukon Co. will meet in the near future to discuss reorganization of the company, thought advisable to dispose of the large indebtedness. An important change in original plan for reorganization has been decided upon for submission to shareholders. It will be recommended that a new company have an authorized capitalization of $2 millions in $1 par value stock of which approximately 1.5 million shares would be issued. The remaining 500,000 shares will be held in the treasury to be used for further financing and bonus payments to the Bunker Hill and Sullivan Mining and Concentrating Co. and to the Alaska Juneau Gold Mining Co. as additional consideration for advances made by these companies.

P. R. Bradley, president, states that sufficient funds will be available from all operations to repay cash advances made last year and to liquidate the entire first preferred obligations of the company, the combined reduction of indebtedness amounting to about $860,000. In addition, there will be a surplus of funds sufficient to carry the routine operations through to Jan. 31, 1938.

News Concentrates

Eldorado Gold Mines is now producing lead as radium by-product at its Port Hope refinery. While quantities are not great and operations not considered important compared with either silver or uranium output, Eldorado intends to take full advantage of revenue-producing possibilities of such by-products, according to G. A. LaBine, president.

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Heva Cadillac Gold, in Courville twp., Quebec, plans diamond drilling of the zone from which high grade samples were secured. Section about 200 ft. long has shown visible gold and about 70 ft. of this zone has been exposed disclosing a series of quartz veins 4-18 in. wide over zone width of 18 ft. Negotiations are in progress to finance the drilling programme.

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Lakeside Kirkland, formerly the Queen Lebel property in eastern Kirkland Lake area, has contracted for 3,000 ft. of diamond drilling, it being proposed to drill 5 holes to test new vein recently disclosed 600 ft. down. Vein is reported to be 11 ft. wide and contact well mineralized. Results from channel sampling done are not yet available. Free gold was found at one point.

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Malartic Goldfields working in Fourniere, Dubuisson and Malartic twp., Quebec, has secured encouraging assays from last three diamond drill holes sunk, it is reported. Drilling has been carried on most of summer. It is understood shaft sinking will be undertaken shortly.

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Monetary Metals has acquired half interest in property at northwest end of Night Hawk Lake, Porcupine area, which has been held since 1913 by New York interests. Claims are patented. Monetary Metals' engineer is now in Porcupine preparing for early diamond drilling campaign

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New Ribago Mines in Beauchastel twp., Que., reports that last trench. channel sampled across full width of 12 ft. at depth of 15 ft. returned $50.40 in gold and 12.8% copper over 10 ft. in east wall. Foot of west wall gave $18.20 in gold and 9.6% in copper. On east face another check ran $17.50 in gold and 9.6% copper. In middle of trench returns were $7.80 in gold and 7.8% copper. It is expected diamond drills will be working very shortly. As was recently announced, Noranda Mines has taken working option on property.

Queensboro Gold Mines has taken over adjoining ground of Old Diamond Gold Mines, Hastings county, Ont., for 350,000 pooled shares of Queensboro and payments of $20,000 to be made over 4-year period. Old Diamond lost its mine workings and principal showings through failure to meet option payments. Queensboro Gold, subject to approval of Old Diamond shareholders, will take over that company's remaining ground on exchange basis of one pooled Queensboro share for five Old Diamond shares.

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MacFarlane Long Lac, holding nine claims in Little Long Lac area of Ontario, has shaft down 95 feet, and reports that specimens carrying visible gold at the 93-foot level. Consultant states first drifting will likely be done about 135 feet below the shaft collar, though location may be changed.

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Quebec United Mines, at Macamic, Que., reports shafts at its copper-zinc-silver property seven miles southwest of Sherbrooke have been pumped out to third level and walls washed down in preparation for systematic sampling. Detailed mapping is nearly complete. Two general samples were taken on two new zones during consultant's last visit to property; assays are not yet available.

• • •

Upper Canada Mines, in east Kirkland Lake area, reports that ore section which may prove to be important is being opened in east drift on the 375-foot level, and that steadily improving values have shown in sampling for last 90 feet $56.70 across 2.4 feet, giving 4.4-foot of advance. Last face assayed returned $1.05 across two feet and width of good grade. Drift has not yet reached 25 feet intersection encountered in diamond drill hole No. 5 which assayed $7.50. Objectives of development headings in 250 and 500-foot levels should be reached within the next few weeks.

Ore Data Grow At Preston East

Work on 200-ft. Level Confirms Earlier Drill Returns

Official reports from the property of Preston East Dome Mines Ltd. in the Porcupine area of Ontario state that the ore zones originally located by diamond drilling, and yielding $8.13 over 49 feet have been now identified on the 200-ft. level and where encountered averaged $8 over 28½ feet. Work will start immediately to open up this zone. This is an entirely new section which has not as yet been developed and accordingly is believed to increase the ore possibilities.

In October, considerable development work took place on both the 200- and 300-foot levels and from now on most of the work will be concentrated on the 300-foot level. The management estimates at Nov. 1, 1937, total positive ore to the 200-foot level of 288,000 tons. Total probable ore in addition is estimated at 84,000 tons. Grade of ore is calculated between $7 and $8 conservatively.

Siscoe Gold Mines Reports Gain in October

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines, in its monthly report to the Montreal Curb Market, shows October production at $221,839. This compares with $220,817 in the previous month and $200,024 in Oct. 1936.

Tonnage handled last month amounted to 18,137 tons, which compares with 17,390 tons in September and 17,118 tons in October last year.

Millheads averaged $12.57 a ton in the past month, as against $13.02 in September and $12.15 in Oct., 1936.

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Survey of Mines, 1937-38

This week, the 12th consecutive annual edition of The Financial Post Survey of Mines, Canada and Newfoundland, is making its appearance across Canada, replacing on desks and in homes the dog-eared and much manhandled copies of last year's Survey. The book contains 316 pages, a new peak.

The 1937-1938 edition, besides doing its usual thorough job of covering in handy reference form the affairs of some 2,100 mining companies, including foreign concerns in which there is a Canadian investment interest, offers several new features in its make-up.

One of these is a special section of claim maps of all the important Canadian mineral areas, making reference easy. This year, 21 maps, prepared by experts, are included in the Survey.

That the Canadian mining industry has grown substantially this year despite the ups and downs in the market is clearly shown by this volume. Mineral production for the first six months of the year totals $215 millions, as against a 12-month total in 1936 of $361 millions.

In addition to gross output, dividends paid have shown the greatest volume in the history of the industry. From Jan. 1 to Sept. 1, 1937, Canadian mines paid, according to detailed analysis contained in The Survey of Mines, $53,772,894, thus indicating that the biggest dividend year on record is now being experienced. A cumulative total, showing dividends paid since the first Canadian mine made a distribution in 1896, is included in this table.

The mining market is covered in detailed form in the section which shows the high and low point of every listed mining stock from Jan. 1, 1930, to Oct. 18, 1937.

Another table, especially interesting to those manufacturing concerns selling to the mines, is a list of mining and milling plans in Canada with the name and address of the operating official.

Base Metal Prices

This has been an important year for the base metal producers, and a table showing the price range of metals, from antimony to zinc, from 1929 to date is included.

Mineral production itself has been statistically dealt with from two angles; actual production by minerals, and by provinces.

The main body of the book is, as in former years, occupied with the coverage, company by company, province by province, of the active Canadian mines. Since the number of active mines is a continually growing army, editors this year have stressed the necessity of terse coverage in the case of each company, without sacrificing essential details. As a result of this policy, and despite the growth in the number of companies covered, the book is only a few pages bigger than last year.

Your Mining Stocks

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Omega Gold

As a shareholder in Omega Gold I am interested in the outlook for it and should be grateful for a review of its prospects.

Omega Gold Mines is under the control and technical supervision of Castle-Trethewey Mines and owns a property in the Larder Lake area of Ontario which has been in production since Feb. 1, 1936. From that time until March 31 last average recovery per ton was about $4.30. Costs, including depreciation and various write-offs, were $4.28 per ton, so that the grade milled did not leave a very wide margin of profit.

Mill capacity was this summer stepped up to 500 tons daily. It is expected that by treating this greater tonnage operating costs will be reduced materially, thereby widening the profit margin. Large areas of Omega's property have not yet been opened up. There remains, of course, the speculative possibility that a higher grade of ore may be found.

Advances by Castle-Trethewey to bring this property into production amounted to $632,503 as at March 31, 1937, the company having repaid $25,000 during the year. With the increased capacity now in effect, it is reliably estimated that Omega can repay this loan in about four years if the ore remains of the same grade. In the meantime it is obvious that Omega is not, under present circumstances and in view of its financial obligations, a large earner. It is, however, in excellent hands and at the end of March last working capital amounted to $57,595.

Calgary & Edmonton Corp.

Kindly enlighten me on the outlook for Calgary & Edmonton Corp., particularly as to earnings possibilities.

Calgary & Edmonton Corp. has a very extensive stake in Turner Valley oil field and its earnings position has been materially improved by developments over the past year. In fiscal year ended June 30, 1937, earnings per share amounted to eight cents, as against two cents in the previous year. Since then income has been augmented by new producing wells in which company has a royalty interest.

Earnings power of all Calgary wells, except for a few small independents is substantially affected by present marketing difficulties, difficulties which have resulted in restricting production to 45% of normal capacity. It is almost impossible to estimate what earnings these producers will have in view of doubt surrounding these marketing troubles. Companies such as Calgary & Edmonton Corp., which obtain revenue from leasing a drilling right on land and from royalties on production of any wells brought in under drilling options, are similarly affected.

In any event, a large part of the net profit or dividends should be regarded as a return of capital. Many cautious investors consider all dividends as return of capital in such stocks until their original outlay is repaid.

Calgary & Edmonton paid its initial dividend of five cents per share on May 1, 1935. No dividends have been paid since, but directors are understood to be considering making a disbursement to shareholders from distributable surplus. At end of 1936 this company had current assets of $416,468 against current liabilities of $2,447.

While this stock is, as indicated above, in our opinion quite speculative, it does represent one of the most substantial and best-managed equities in the promising Turner Valley developments.

Siscoe Gold Mines

Such up-to-date information as you can give me on Siscoe Gold Mines will be appreciated.

Since production started in Jan., 1929, Siscoe Gold Mines has had a good record. Indications are that profit per share should be higher this year than the 22 cents per share earned in the fiscal year ended Dec. 31, 1936. Net profit for the first half of 1937 amounted to 14 cents per share, as against 12 cents for the first six months of 1936.

Mill is treating about 580 tons daily, with millheads running between $12.60-$14 per ton. It is difficult accurately to estimate ore reserves owing to the somewhat erratic but high-grade nature of the ore shoots. At end of Dec., 1936, official estimates showed total of 451,827 tons of ore grading $13.23 per ton. This estimate, a material improvement over other years, provides a satisfactory margin for Siscoe, which has by no means exhausted its ore possibilities.

At end of 1936, current assets, including Government bonds at lower than cost or market, totalled $1,082,019. Current liabilities were $201,372, leaving the company with a comfortable working capital of $880,647. Siscoe is under capable technical direction and management.

Arntfield Gold

I should be glad to have any available data on Arntfield Gold Mines. Would you regard this company as a profitable operation? What other stocks has this company?

October production at Arntfield Gold Mines, a subsidiary of Pennaque Mining Corp., was $25,850 from treatment of 6,435 tons of ore, average recovery being $4.02 per ton. It seems fairly apparent that little if any profit can be made on a grade as low as this. Arntfield showed a net operating loss of $29,769 for 1936. While the grade of ore during that period amounted to $4.50 per ton on a recovery basis, total cost per ton, including depreciation, totalled $5.31, leaving a net loss per ton of 81 cents.

Last month's production figures reflect the installation of a new ball mill at Arntfield. This is handling about 225 tons daily. Operating results have increased since September by 10 cents in recovery per ton.

Operating costs of gold mines have in the past year paralleled the rising trend in commodity prices, with the result that low grade producers are in a more vulnerable position and their stock accordingly more speculative than that of the companies treating higher-grade ore. At March 31, 1937, Arntfield held 751,250 shares of Arncoeur Gold Mines and 50,000 shares of Francoeur Gold, both of which are prospects.

Lamaque Gold Mines

What information can you give me on the likelihood of dividend action by Lamaque Gold? I should like a brief comment on this phase of its operations.

Lamaque Gold Mines, subsidiary of Teck-Hughes Gold Mines, has an obligation to Teck-Hughes which must be paid off before dividends can be distributed to Lamaque shareholders. Officials have estimated that it will be about two years before Lamaque's earnings will be available for dividends. This company started production in April, 1935, and in the fiscal year ended Dec. 31, 1936, it earned 28 cents per share.

Lamaque's new mill, now operating, brings tonnage rate up to 1,100 tons daily. This will, of course, result in lowered costs and greater efficiency, which will be reflected in higher earnings. Company's record has been good and physical condition of the mine is sound. In view of the financial situation, the stock appears to be one which would be purchased not so much with the idea of immediate capital appreciation or yield but as more or less a long-term speculation.

Friday Mines

I have been asked to obtain some information on a company known as Friday Mines and should appreciate your assistance.

Friday Mines was incorporated about 1926 to develop a silver-cobalt property some four miles east of Keeley Mines and approximately 15 miles northwest of Temagami in Lorrain twp., Ont. Although some encouragement was obtained from limited work done, which included sinking of a shaft to 150 feet, a drop in cobalt prices and uncertainty surrounding the silver outlook resulted in suspension of operations. Property has been inactive for many years.

While we have no record that the charter of this company has been surrendered, it has not been heard from for a long time and chances of revival seem remote. In the meantime, there is no market for the shares.

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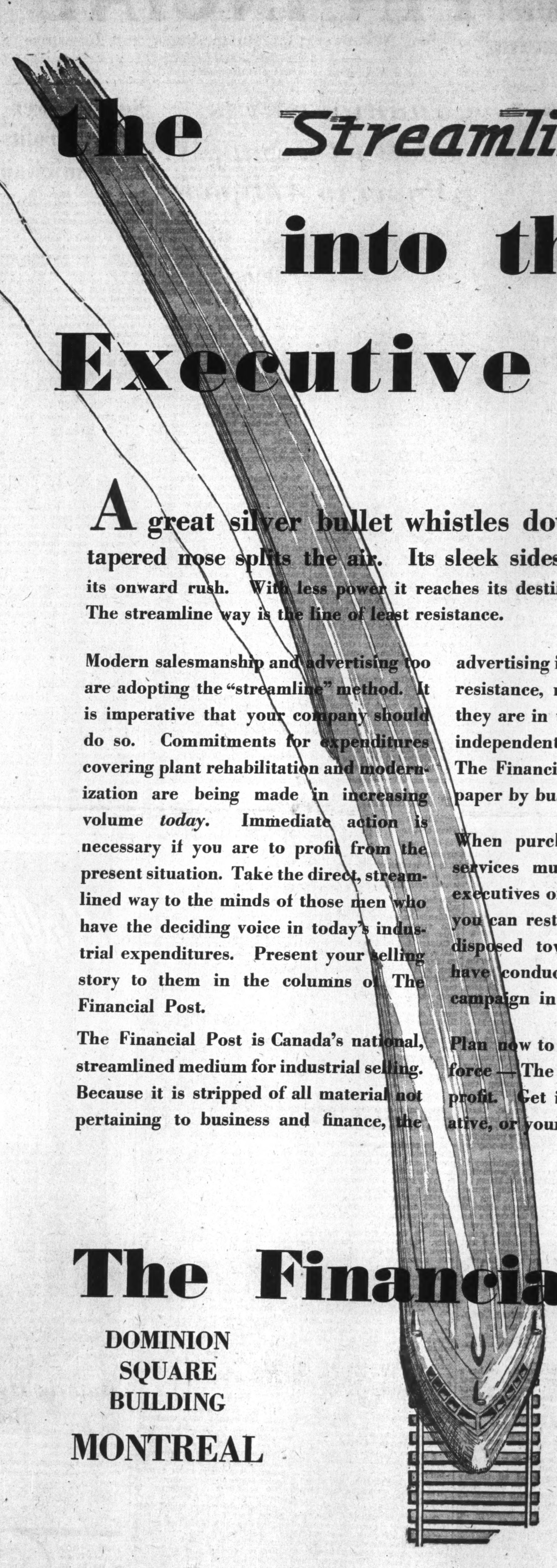

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A great silver bullet whistles down the track. Its tapered nose splits the air. Its sleek sides offer no resistance in its onward rush. With less power it reaches its destination in double quick time. The streamline way is the line of least resistance.

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